



NEWCASTLE MUNICIPALITY
Integrated Development Plan
Review 2010/11

FINAL MAY 2010

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ABBREVIATIONS USED IN THIS DOCUMENT

BEE	-	Black Economic Empowerment
CBD	-	Central Business District
CBP	-	Community Based Planning
CIF	-	Capital Investment Framework
COGTA	-	Co-operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DAERD	-	Department of Agriculture, Environmental Affairs and Rural Development
DLTGA	-	Department of Local Government and Traditional Affairs (Now Cogta)
DME	-	Department of Minerals and Energy
DOE	-	Department of Education
DOH	-	Department of Housing
DOT	-	Department of Transport
DWAF	-	Department of Water Affairs and Forestry
EIA	-	Environmental Impact Assessment
EPWP	-	Extended Public Works Programme
EXCO	-	Executive Committee
GGP	-	Gross Geographical Product
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	-	Information Communication Technology
IDP	-	Integrated Development Plan
IDP RF	-	Integrated Development Plan Representative Forum
IWMP	-	Integrated Waste Management Plan
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LGTAS	-	Local Government Turn Around Strategies
LRAD	-	Land Redistribution for Agricultural Development
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council (Local Government and Traditional Affairs)
MDB	-	Municipal Demarcation Board
MFMA	-	Municipal Finance Management Act No. 56 of 2003

MIG	-	Municipal Infrastructure Grant
MTCF	-	Medium-term Capital Framework
MTEF	-	Medium-Term Expenditure Framework
MTSF	-	Medium-Term Strategic Framework
NHBRC	-	National Home Builders Registration Council
NNTAS	-	Newcastle Turnaround Strategy
NSDP	-	National Spatial Development Perspective
NWMS	-	National Waste Management Strategy
PSEDS	-	Provincial Spatial Economic Development Strategies
PGDS	-	Provincial Growth and Development Strategy
PMS	-	Performance Management System
PIMS	-	Planning, Implementation and Management System
PMS	-	Performance Management System
PMU	-	Project Management Unit
PPP	-	Public-Private Partnership
PSEDS	-	Provincial Spatial Economic Development Strategy
PTP	-	Public Transport Plan
RDP	-	Reconstruction and Development Programme
RSC	-	Regional Service Centre
SADC	-	Southern Africa Development Community
SCOPA	-	Standing Committee on Public Accounts
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDBIP	-	Service Delivery and Budget Implementation Plan
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TA	-	Tribal Authority
TLC	-	Transitional Local Council
VTC	-	Voluntary Testing and Counselling
WSB	-	Water Services Backlog
WSDP	-	Water Services Development Plan

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11. Local Government Turn Around Strategy
12. Newcastle Annual Report 2008/09
13. Housing Plan
14. Multi-year Budget
15. Communication Strategy
16. All relevant policies and frameworks
17. All relevant legislation

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SECTION A: EXECUTIVE SUMMARY

An Integrated Development Plan (IDP) is a strategic plan for how the Newcastle Municipality will allocate its resources for the next five years to address the priority needs of its communities. It is a plan to help us set our budget priorities, and to guide sector departments in compiling its Medium Term Expenditure Framework.

This IDP will therefore form an agreement with the Municipality and the community on what, how and when projects and programmes will be implemented and how it will be monitored.

It is a Plan for the entire municipal area and summarises the interventions of all spheres of government aligning our local plans with National and Provincial priorities. Whilst the needs identified by communities far exceeds the available resources, the attempts to inform the medium terms budget allocations and priorities to be funded from Nationally raised revenue.

The IDP therefore outlines key areas where we must intervene and focus our resources in order to achieve the developmental mandate of local government.

This strategic plan must also inform municipal decision making as well as business processes of the Municipality.

The IDP adopted in 2007 remains the principle IDP document. Of importance is that the IDP, PMS and budget processes, (whilst these are distinct processes), are integrally linked processes which must be co-ordinated to ensure that the related policies and tabled budget are mutually consistent and credible.

A1. Who are we? - Newcastle Municipality in Context

Newcastle is the third largest urban center in KwaZulu-Natal South Africa, is categorised as a Secondary city and is the biggest municipality within the Amajuba District. Newcastle is located in the North West corner of the province along the Ncandu River and is moderately industrial. The upper part of the Drakensberg mountain range curls along the west side of the town. The town was strategically placed in 1854 by the Surveyor General of the Natal Colony, Dr PC Sutherland. The town was later known as the Waterfall River Township because of the Ncandu River. In 1864, the town of Newcastle was founded on the site, becoming the fourth town to be established in Natal. The Town was named after the British Colonial Secretary, the Duke of Newcastle.

Newcastle functioned as a major transport junction and popular stopover for wagons and post chaises during the late 1800s. In 1890, the first train arrived

in Newcastle. In 1891, Newcastle was declared a borough. The discovery of coal brought a new era of prosperity to the town and several ambitious building projects were planned for Newcastle in the late 1900's.

The total population for Newcastle in 2010 is estimated at 539228, projected from the 2001 stats at an average annual growth rate of 3.5% compared to the provincial year on year growth of 2,8% as at December 2009. This is also higher than the estimated population as per Community Survey 2007 results which indicates a decline in population growth. Newcastle has experienced an influx of people in the past few years and this is evident in the increase in the informal settlement population, as well as an increase in the number of residential buildings (includes town houses) occupied.

The Newcastle Municipality is made up of 31 wards with the majority of the population (approx, 78%), resident in the previously disadvantaged R293 townships of Madadeni, Blaaubosch and Osizweni areas to the East - which is now a primary development corridor of the Municipality. One of the biggest challenges that the municipality faces is equitably integrating the East to the former established area of Newcastle to the West.

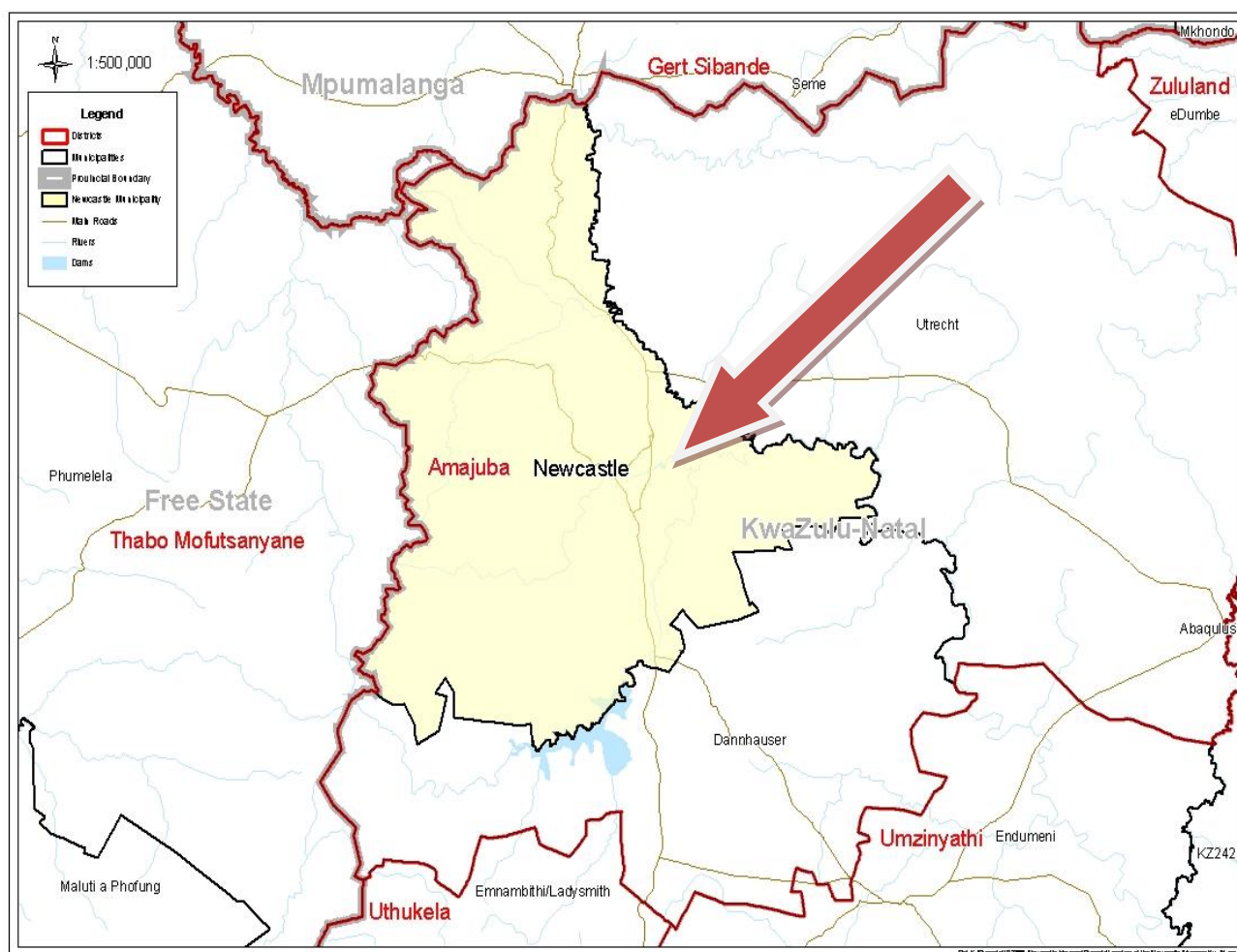


Figure 1 : Locality Map

In terms of the Provincial Spatial Economic Development Strategy, Newcastle is identified as a secondary investment node, clearly with the potential to address some of the poverty concentrations found within the area.

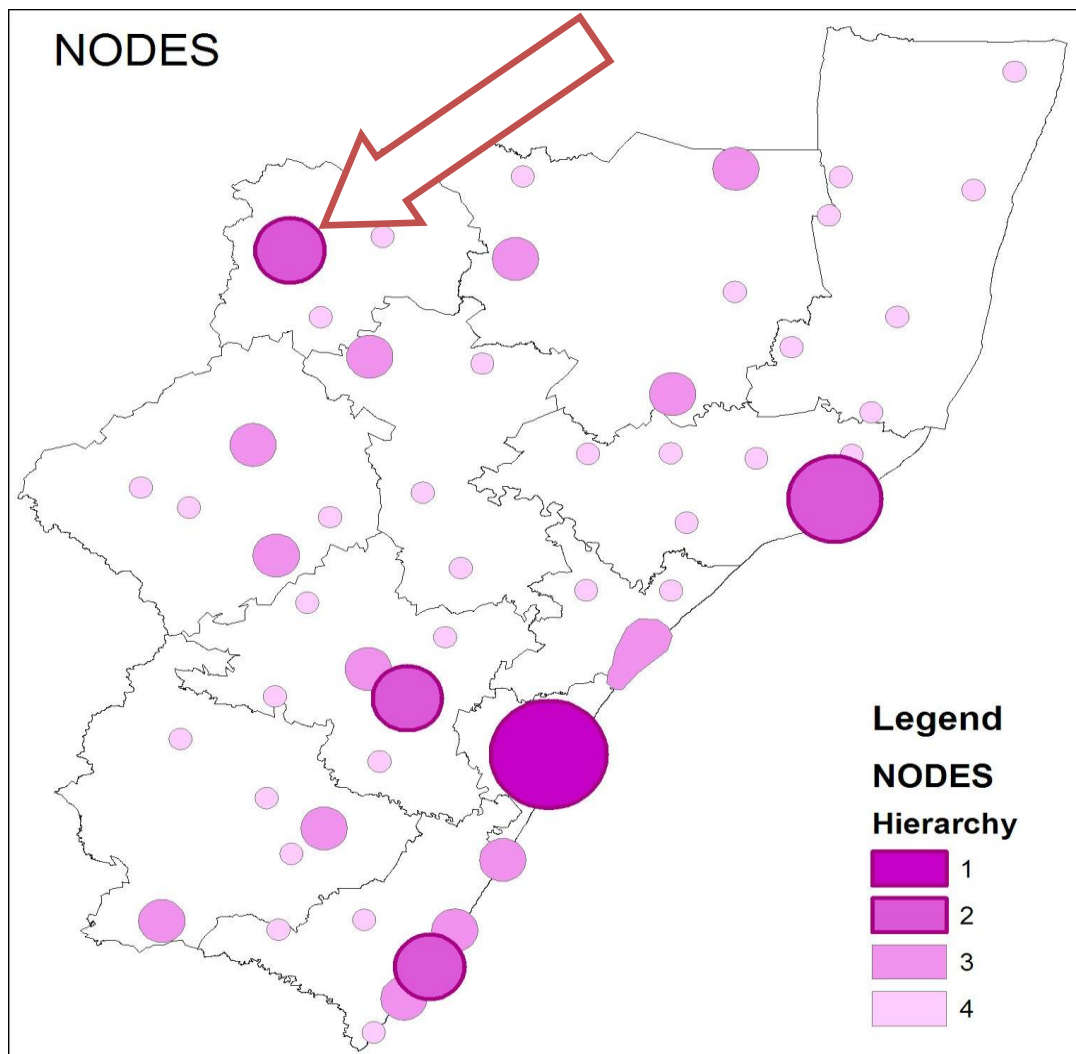


Figure 2 : PSEDS Priority

Wards 1,6 12,15,16,18 and 31 have been identified as rural wards compared to the other 24 wards being identified as urban wards.

A2. What are the issues that we face?

The top priority occurrence identified through ward consultation are summarised below-

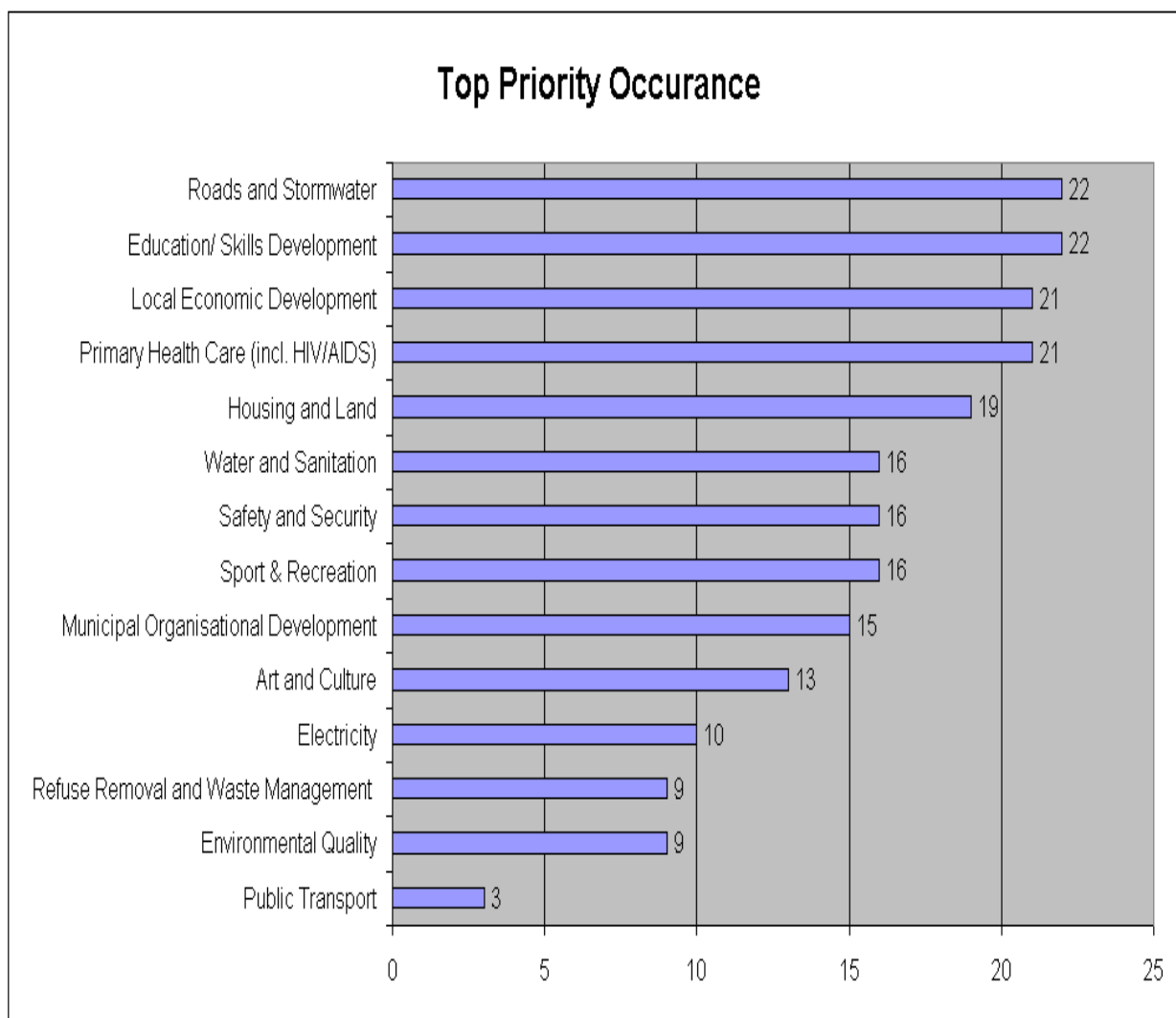


Figure 3: Top Priority Occurance by Wards

The above table indicates that 22 wards out of 31 have prioritised Roads and stormwater and Education/skills develop as top priorities, following by LED and Primary Health and so on.

A review of this was not carried out in the year under review as this trend has followed through for the past 5 years. Furthermore, ward committees were re-established in 2009 and consultation at this level was pending induction and training. The focus of the review was therefore on the pilot ward for community based planning being WARD 15.

It should also be noted that communities have become frustrated with year on year identification of needs when the issues remain the same and the majority of projects will continue being “wish list” projects. The pilot Community Based Plan in Ward 15 funded by Provincial Cogta was therefore pursued in the year under review to emulate in other wards in ensuing IDP Reviews. This will hopefully encourage improved alignment with budget prioritisation processes to inform MTEF’s.

1. BASIC SERVICE DELIVERY

The table below provides a comparative summary of the basic service delivery needs by ward. The statistics used are projected backlogs as per Cogta CIP information and projected population growth rates of 3,5% per annum since 2001 Census and other available information.

The Community Survey 2007 results have not been used for basic service delivery backlogs due to discrepancies and anomalies identified which is highlighted further in the Report. Engagements with StatSa have commenced to obtain consensus in the methodology used for the purpose of projections against the statistics.

The table below illustrates the percentage of households within each ward with access to the basic services. *These projections are subject to the endorsement of Ward Committee structures and Stats SA*

Table 1: Basic Service Backlogs by Ward

WARD NO.	Urban/ Rural	No. Of Households 2010	Population Projections by ward	Water (backlogs 2010)	Sanitation Backlogs 2010	Housing Backlogs 2010	Electricity Backlogs 2010	Roads unpaved	Length unpaved	Road Condition
1	Rural	4 585	32 097	51%	57%	74%	73%	98%	61.0	Fair
2	Urban	3 614	18 072	2%	1%	8%	0%	20%	9.2	Fair
3	Urban	2 827	14 133	2%	3%	5%	0%	15%	5.4	Poor
4	Urban	3 054	15 271	3%	1%	7%	0%	3%	1.2	Poor
5	Urban	3 188	15 939	2%	1%	10%	0%	0%	-	Fair
6	Rural	4 090	28 630	65%	86%	33%	59%	100%	51.9	Poor

WARD NO.	Urban/Rural	No. Of Households 2010	Population Projections by ward	Water (backlogs 2010)	Sanitation Backlogs 2010	Housing Backlogs 2010	Electricity Backlogs 2010	Roads unpaved	Length unpaved	Road Condition
7	Urban	3 876	19 380	53%	61%	28%	24%	87%	42.8	Poor
8	Urban	2 313	11 564	2%	3%	16%	0%	66%	19.4	Poor
9	Urban	3 797	18 985	24%	36%	34%	14%	79%	38.0	Poor
10	Urban	3 345	16 723	1%	2%	22%	0%	57%	24.2	Poor
11	Urban	3 237	16 184	13%	3%	23%	1%	59%	24.2	Poor
12	Rural	2 603	18 222	98%	92%	34%	8%	100%	33.0	Poor
13	Urban	2 373	11 864	5%	11%	4%	0%	79%	23.8	Poor
14	Urban	4 308	21 541	33%	14%	24%	2%	60%	32.8	Poor
15	Rural	3 083	21 580	80%	86%	9%	6%	82%	32.1	Poor
16	Rural	2 936	20 550	89%	76%	15%	11%	72%	26.8	Poor
17	Urban	2 925	14 624	2%	1%	7%	1%	60%	22.3	Poor
18	Rural	3 864	27 047	48%	59%	13%	9%	74%	36.3	Poor
19	Urban	2 692	13 459	14%	1%	26%	0%	38%	13.0	Poor
20	Urban	2 983	14 917	21%	30%	43%	41%	77%	29.1	Poor
21	Urban	2 941	14 706	13%	13%	31%	12%	42%	15.7	Poor
22	Urban	2 513	12 566	2%	1%	6%	15%	15%	4.8	Poor
23	Urban	2 655	13 275	1%	1%	18%	0%	62%	20.9	Poor
24	Urban	2 932	14 658	34%	17%	23%	15%	67%	24.9	Poor
25	Urban	3 084	15 421	8%	14%	20%	11%	1%	0.4	Poor
26	Urban	2 594	12 968	1%	2%	18%	1%	48%	15.8	Poor
27	Urban	2 900	14 501	5%	1%	17%	0%	74%	27.2	Poor
28	Urban	2 671	13 356	2%	0%	22%	0%	58%	19.6	Poor
29	Urban	3 185	15 925	22%	1%	31%	0%	53%	21.4	Poor
30	Urban	2 696	13 479	2%	1%	9%	0%	65%	22.2	Poor
31	Rural	3 941	27 590	41%	46%	44%	41%	66%	33.0	Poor

From the above table the basic service backlog profile for Newcastle have been tabulated below :

Table 2 : Municipal backlog profile

BASIC SERVICE	BACKLOG 2010
Water	26%
Sanitation	27,3%
Housing	23%
Electricity	11,3%
Roads	58,83% (unpaved in poor condition)
Refuse removal	25,6% (IWMP)

Through the Flagship Program of the Office of the Premier ((detailed further in the report) , the deprived rural wards of Ward 6,12 & 15 have been identified for Phase 1. Profiling of these wards commenced in March 2010.

Note : *The stats used do not compare with the District municipality which has opted to use statistics from Global Insight and the NSDP which is based on Community survey 2007 results*

2. LOCAL ECONOMIC DEVELOPMENT

LED is about promoting local approaches to respond to local needs and conditions, but also within the context of national and global economic trends and events. It aims to base economic activity on social conditions and local resources as well as regional capabilities and local competitive advantage.

LED aims at maximising the economic potential of a particular area by encouraging the public sector, the business sector and communities to work together in creating conditions favourable to economic growth and employment generation. Specific targets of LED include:

- Create employment
- Develop local markets
- Promote and support SMME's
- Decrease poverty and hardship
- Ensure community empowerment

Within the Newcastle perspective, the contributing factors to stimulating LED are :

- High unemployment rate – estimated at 32,4% but could be higher than the provincial rate of 37,6% as at February 2010.
- Approximately 70% of households earn below R1600 per month.
Indigent support and grant dependency on the rise
- Closure of factories and relocation of business
- Closure of mines
- Decline in the economy

The following diagram indicates the GDP performance of Newcastle from Quarter 1 in 2003 to Quarter 2 in 2009. This diagram illustrates the impacts of the 'Global Economic Crisis' and shows how GDP reached its lowest point in the first quarter of 2009. Although there was a mild recovery in the second quarter of 2009, this has been replaced by a decline for the third and fourth quarters of 2009.

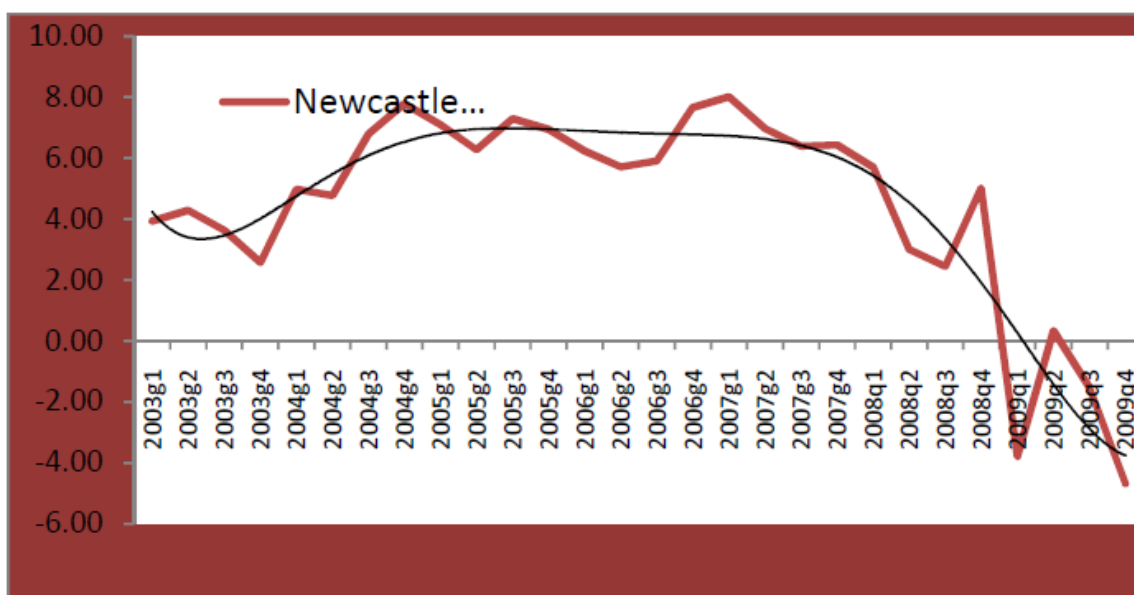


Figure 4 Newcastle GDP 2003-2009

Interestingly this steady decline in GDP is consistent with the secondary economic nodes of PMB and Port Shepstone in the Province, whilst the opposite has occurred with the Port cities of Durban and Richards Bay. This need to be further interrogated to determine if strategies through the PSEDs is infact benefitting the non port nodes in the Province.

This perhaps also raises the question of representativity of local government on National fora such as NEDLAC to ensure that LED interventions through NSDP and ASGISA is equitably rolled out to all economic development nodes as this is imperative to fulfilling the mandate contained in the MTSF etc.

It is noted with concern that Newcastle has not benefitted through the Provincial Economic Development allocations in spite of being declared a secondary development zone in the Province. Economic development

initiatives are those primarily being pursued through district initiatives via AFLED. Whilst Newcastle Municipality is represented on TIKZN, only marketing initiatives for encouraging investment from China has been supported.

3. SPATIAL AND ENVIRONMENTAL ISSUES

3.1 SPATIAL ISSUES

Newcastle like other municipalities are also addressing the spatial disparities that came about through the Apartheid era. Primarily this lies in the previously R293 townships of Madadeni, Blaauwbosch and Osizweni to the East, and interventions focused on bridging the social, economic and spatial imbalances between the West and the East.

THE SPATIAL CHALLENGES

SPATIAL EQUITY refers to the fair distribution and access to land resources. It also recognises that the playing field is not always level in the competition between various land users. In order to ensure fair and equitable spatial development, it may be necessary to take special measures to remedy the disadvantages and promote equity of space in line with the principles of the Development Facilitation Act. The main responsibility of spatial equity is to ensure that all land users have the opportunity to use suited and available land to address their basic needs and requirements for *prosperity*.

SPATIAL EFFICIENCY refers to the most economical and viable means of achieving spatial development within the limitations of available resources. Efficient and strategic spatial planning should ensure the co-ordination and the resolution of conflicts between competing activities, while strengthening market access and unlocking development opportunities crucial for *economic growth*.

SPATIAL SUSTAINABILITY implies a sense of balance, between the key activities found on land. A continued balance between economic development, social development and environmental development should be sought in all development actions. Practically this will imply that cognisance should be taken of the impact of any development in any one sector on the other two sectors to ensure continued *peace and harmony*.

These challenges are crosscutting in nature and needs to addressed within all the development sectors identified, within all of the development priorities as well as within all geographical areas of the municipality; urban as well as rural settings. Thus these three spatial challenges will form the basis of the entire

Spatial Development Framework in order to achieve the municipal development vision.

3.2 ENVIRONMENTAL ISSUES

The following environmental issues(amongst others) have been identified to be addressed are :

- ✓ Air Pollution from local industries
- ✓ Water resource contamination
- ✓ Mining and illegal mining activities
- ✓ Closure and rehabilitation of the Landfill site
- ✓ Phorrid flies in cemeteries
- ✓ High water table and its impact on VIP's and cemeteries
- ✓ Impact of Natural disasters (Flooding in particular)
- ✓ Overgrazing
- ✓ Transfer of the environmental health function to the District
- ✓ Greening for sustainable human settlements

The Amajuba District Municipality is presently compiling an Environmental Management Plan and this is anticipated to be complete by May 2010.

4. FINANCIAL VIABILITY

Newcastle has been acknowledged as a high capacity municipality and has received secondary city status. The municipality has a budget of approximately R1b (operating and capital).

Of concern, the increase in outstanding debtors which reached an all time high of R490m in January 2010. The ability of the municipality to recover outstanding debt and increase the payment factor is presently high priority as this remains key to the the financial viability of Newcastle Municipality. The increasing indigent population(almost 40%) requires interventions around LED to stimulate economic growth and job creation to contribute effectively towards balancing the affordability levels between communities.

Other financial challenges identified are :

- Filling of vacant and identified critical additional positions with appropriately qualified staff together with finalizing the additional office space required;
- Training and capacitating existing staff with regard to changing environment and legislation;
- Review of all financial policies;

- Identification of revenue enhancement strategies to be completed and implementation of cost effective strategies;
- To continue to meet all legislative deadlines with regard to the entire budget process, including mid year review, tabled budget, approved budget and all reporting requirements, as well as the completion of the Annual Financial Statements culminating in a clean audit report;
- Restriction of water consumption to the indigent thereby allowing for Free Basic Water of 6Kl instead of the current free flow, as well as for credit control purposes to all other account holders;
- Implementation of the newly compiled Valuation Roll in terms of the Property Rates Act, Number 6 of 2004, on 1 July 2009 and the related processes thereafter;
- To identify non-indigent accountholders registered as indigent and included in the indigent register;
- Manage the negative implications that the Eskom tariff hike has had on the community;
- Implementation of a new financial system;
- Improvement of customer satisfaction together with the education of customers regarding the benefits of paying for services;
- To maintain the current pay factor levels during the economic climate.
- The ability of the municipality to fund capital development through revenue/loans

5. INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Newcastle Municipality have in the 2008/09 financial year fully implemented the Macro structure.

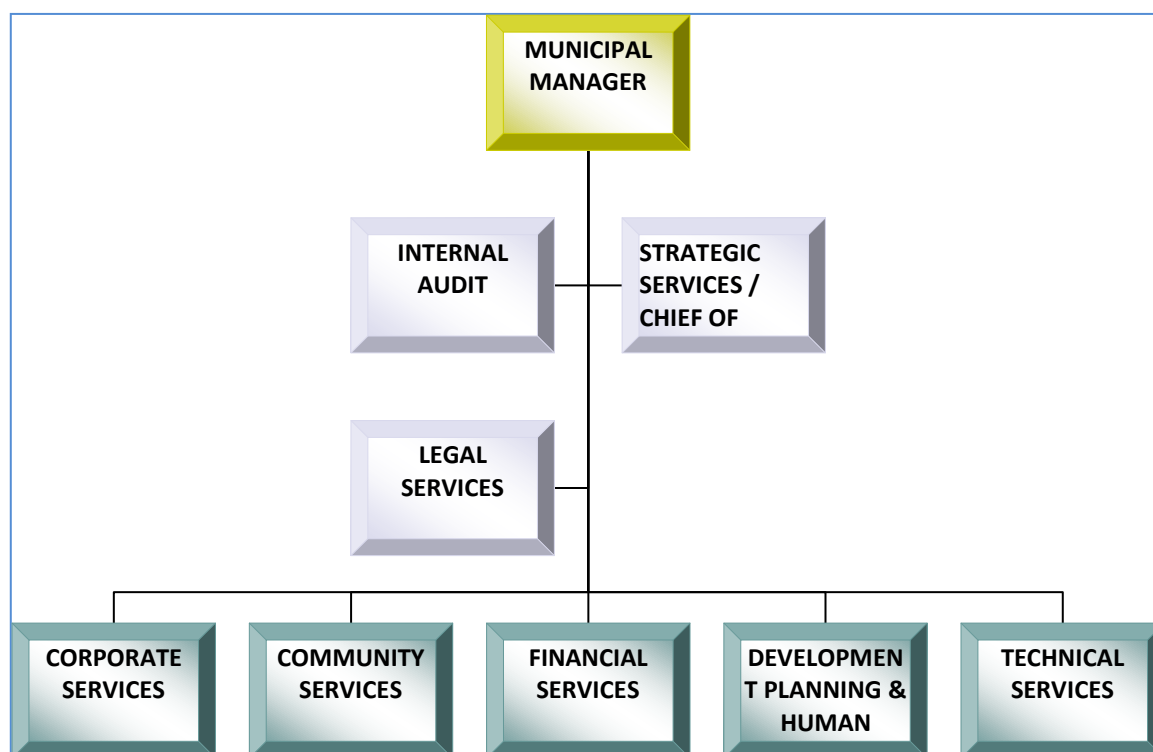


Figure 5 Newcastle Macro Structure

The micro structure process commenced in October 2009, with restructuring strategies being reviewed.

The following challenges have been identified:

- ✓ Restructuring not finalized
- ✓ Delegations not aligned to new structure
- ✓ Job evaluation process not finalised
- ✓ Almost 50% of vacant postS not filled - filling of critical posts prioritised
- ✓ No HR Strategy and need to review HR Policies
- ✓ IT function not centralized and no IT policies and procedures
- ✓ Review of the Work Place Skills Plan and Employment equity plan to new structure
- ✓ Outdated bylaws
- ✓ Skills retention and attraction of competent professionals for key senior positions

6. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following challenges are identified :

- ✓ Dysfunctional Oversight Committee/Municipal SCOPA
- ✓ Effective ward committee Structures
- ✓ Lack of public participation policies
- ✓ Lack of communication strategy/policy
- ✓ Roll out of special programs
 - High HiV/Aids prevalence rate of approximately 37 %
 - Addressing Youth, Gender, Elderly and Persons with Disabilities issues
- ✓ Sector department co-operation (IGR)
- ✓ Qualification from the Auditor General in respect of the 2008/09 Financial Year
- ✓ Review of risk assessment strategies and Fraud and Anti corruption policy
- ✓ Monitoring and reporting (PMS)

A3. What Opportunities Do we offer ?

In summary the current opportunities which exist as well as the strengths to be built upon towards development within the municipality could be summarised as follow:

Table 3 : Strengths and Opportunities

Strengths	Opportunities
<ul style="list-style-type: none">• Skilled Human resources• Financially Viable Municipality• Good Governance	<ul style="list-style-type: none">• Geographical Location• Vibrant Economy• Growth

- Political Tolerance
- Existing Infrastructure
- Sustainable services
- Water Services Authority
- Land Availability

- Relatively Low crime rate
- Tourist attraction
- Industrial Base
- Regional Hub of Northern Natal Grant/Donations
- Organised Agricultural and Business sector

The three main economic sectors identified in the LED Strategy are :

- ✓ Agriculture
- ✓ Tourism
- ✓ Industrial

The following Economic comparative advantages as outlined in the LED Strategy are :

Table 4 Economic Comparative advantages

Agriculture	Tourism	Industrial
<ul style="list-style-type: none"> • A long history of dairy farming; and despite recent price constraints Newcastle remains one of the key dairy belts in KZN. • Ideal location to major markets by road (N11 and N3 network) • Fully functional local airport (available for commodity movement and for crop dusters alike) • Established cargo rail link • Excellent existing Eskom infrastructure • Abundance of irrigation-ready land • Dedicated grazing land available • Good climate and soils for variety of cultivated crops (including beans, vegetables and fruits) • Local training facility, Majuba College, already 	<ul style="list-style-type: none"> • Strong well preserved historical heritage with well developed museum structures. • Falls within Zulu kingdom and engenders good linkages to this cultural heritage. • □ Halfway point on N11 between two major centres, Johannesburg and Durban. • Gateway to Battlefields Region. • Long history of hosting national sporting events. • Well established adventure tourism in pristine natural surroundings. 	<ul style="list-style-type: none"> • Highly developed manufacturing complex, notably textiles and footwear, building supplies and metal products. • Central location to major markets by road (N11 and N3 network). • Fully functional local airport, available and scheduled and chartered flights. • Established cargo rail link that is currently underutilised. • Well developed existing Eskom infrastructure. • Available commercial and industrial land. • History of organised mining in the municipality which has generated associated industries. • Highly organised

offering accredited
agricultural training

- Highly organised
sector, notably the AAC.

agricultural sector linking
into agro-processing
manufacturing expansion

It should also be noted that Newcastle currently reign as the Cleanest Town in the Province, and has competed in the Top 10 municipalities Nationally.

A4. Strategies for Improvement

The ^{Vision} of the Newcastle Municipality is :

**“NEWCASTLE MUNICIPALITY –
Together We Can Do it Better”**

Translated into isiZulu, the Vision reads as follows:

“Sisonke – singenza okugcono”

Translated into Afrikaans, the Vision reads as follows :

“Saam doen ons dit beter”

Mission Statement

The Mission of the Newcastle Municipality is:

“Newcastle Municipality commits itself to render sustainable services, promote economic growth and achieve financial stability through Community Participation”

Value System

It was considered appropriate to develop and promote organisational culture as follows :

❖ **N**ATION BUILDING

- ❖ EQUITY
- ❖ WELLBEING
- ❖ CUSTOMER SATISFACTION
- ❖ ACCOUNTABLE
- ❖ SUSTAINABLE
- ❖ TRANSPARENT
- ❖ LEADERSHIP
- ❖ EFFICIENT/EFFECTIVE/ECONOMICAL/EXCELLENCE

ALIGNMENT TO MEDIUM TERM STRATEGIC FRAMEWORK

In terms of the Medium Term Strategic Framework 2010/11, the following objectives are identified :

- Halve poverty and unemployment by 2014
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
- Improve the nation's health profile and skills base and ensure universal access to basic services
- Improve the safety of citizens by reducing incidents of crime and corruption
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia

ALIGNMENT TO PROVINCIAL PRIORITIES

- Creation of decent work and economic Growth
- Social and economic infrastructure
- Rural Development linked to land reform
- Skills and human resource base
- Improving the nation's health profile
- Fight against crime and corruption

ALIGNMENT TO NATIONAL TARGETS

Minimum Standards requirements for National Targets aligned to the Millenium Development Goals

Table 5 Minimum standards for National Targets

Basic Service	TARGET
---------------	--------

Water	All households to have access to at least clean piped water 200m from household
Sanitation	All households to have access to at least ventilated pit latrine on site.
Electricity	All households to be connected to national grid.
Refuse Removal	All households to have access to at least once-a-week refuse removal services
Housing	All existing informal settlements to be formalized with land-use plans for economic and social facilities and with provision of permanent basic services.
Unemployment and Poverty	Halve unemployment and poverty through the procurement of services and by using labour-intensive methods to maintain and build infrastructure and municipalities to broaden participation in the local economy and create work opportunities for the poor
Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls, etc	Standards for access for all other social, government and economic services must be clearly defined, planned, and where possible implemented by each sector working together with municipalities in the development and implementation of IDPs.

Various sector plans to inform the achievement of the above targets are in the process of being compiled and/or reviewed

STATE OF THE NATION ADDRESS SUMMARISED

The state of the Nation Address by the President on the 11 February 2010 had the following key features:

- Economic Development
- Infrastructure development
- Human Development Issues
- Social Protection
- Governance and administration
- Justice, Crime prevention and safety
- International co-operation, trade and security

The above features and the interventions informing the Division of Revenue Act is elaborated further on in the document.

In terms of the above National and Provincial strategies and focus areas, the Newcastle Municipality will be aligning the Local Government Turn around strategies (LGTAS), (submitted to Cabinet in February 2010 and launched in Kwazulu-Natal in March 2010), to address the development challenges identified above.

The Top Ten Priorities identified to be addressed in the NNTAS are :

- ❖ Service Delivery (Maintenance existing levels , Rehabilitation of infrastructure and backlogs)
- ❖ Fast Track Sustainable Human Settlements through Housing and Rural Development Program
- ❖ Finalise Consolidated Infrastructure Plan and Capital program implementation
- ❖ Debt Management – increase payment factor
- ❖ Finalisation of Micro Structure, Filling of critical posts & Compliance Minimum Competency levels and training of councillors by 2012
- ❖ Clean Audit 2014
- ❖ Effective functioning of municipal SCOPA
- ❖ Effective and functioning ward committees
- ❖ Anti- Corruption and Fraud Prevention program
- ❖ Halving poverty and unemployment by 2014

HIGH LEVEL STRATEGIES

Our high level strategies which have been rationalised since 2006 are :
Table 6 High Level Strategies

NATIONAL KPA	GOAL/OBJECTIVES
Basic Services	Maintain existing levels of services
	Eradicate basic services backlogs in line with resources available to align to National Targets
	Extend services to previously un-served areas
	Clarify roles and responsibilities in respect of Powers and Functions
	Develop and /or review sector plans
Institutional Development and Transformation	Centralise Project Management Unit
	Finalise restructuring processes (Micro Structure)
	Develop and review HR strategy and/or policies
	Fill critical positions
	Review and implement Workplace Skills Plan

	and Employment Equity Plan
	Address competency standards of senior managers
	Finalise additional office requirements
Good Governance and Public Participation	Establish Oversight Committee/SCOPA
	Functional Audit Committee
	Address issues raised by the Auditor General
	Improve Batho Pele and Corporate image
	Enhance communication and feedback processes via Ward Committees and other Fora
	Incorporate and implement LG TAS
Financial Viability	Improve payment factor
	Finalise and implement revenue enhancement strategies
	Finalise and implement Financial Plan
	Fast track implementation of new financial system
	Monitor compliance with MFMA requirements
	Centralise Supply Chain Management Process
Local Economic Development	Mainstreaming of LED
	Review and implement LED Strategy
	Fast track programmes for SMME development
	Develop and implement Marketing and Business Retention and expansion Strategy
	Review institutional options for LED
	Mainstream EPWP to meet National targets
Spatial and Environmental Planning	
	Develop and/or review SDF and EMP
	Implement Urban Renewal Strategy
	Finalise LUMS
	Develop area based plans for all Primary and secondary development nodes
	Integrate all projects and programmes through the GIS
	Law enforcement for all planning bylaws
	Align and Stimulate investment and economic growth through corridor planning to PSEDS and NSDP

The IDP Priorities identified directly align to the MTSF, Provincial Priorities as areas of intervention and this is addressed through both

strategic interventions and operational activities of the municipality. Where the focus area falls outside the competency of the municipality this is to be facilitated through IGR and sector engagements.

It should be noted that the high level strategies developed since 2006 to present have been rationalised as indicated above. This is further aligned to the Local government turnaround strategies.

The roll out of community based planning is also being advocated, with Ward Based Plan for Ward 15 being piloted (funded by Provincial Cogta) in this financial year. This will allow for intensified

SPATIAL DEVELOPMENT PLANNING

The main characteristics of the Newcastle SDF and its annual review are :

1. Alignment with NSDP - MBO project funded through the Neighborhood Development Grant
2. Alignment with PGDS and PSEDs viz. The Greytown, Msinga, Madadeni corridor (SC12) is identified as a secondary corridor, Urban Renewal Program
3. Identifying spatial challenges (Equity, sustainability and efficiency)
4. Alignment to and unpacking of Municipal Vision to spatial perspective and development of spatial objectives and strategies addressing
5. Clustering of spatial objectives to sector/focus areas
6. Proposals in respect of service delivery centres (1st, 2nd, 3rd and 4th order SDC's and rural centres)
7. Identification of development corridors and mobility routes
 - a. N11 Primary Mobility Route
 - b. R34 Secondary Mobility Route
 - c. P483 Mixed-used Activity Corridor
 - d. Allen Street Mixed-used corridor
8. Defining Nodal Structure

Table 7 Nodal Structure

Type of Node	Area
A Secondary Investment Node (PSEDs)	-Newcastle
B Primary Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
C Secondary Node (Municipal SDF)	-Emerging Northern Business extension (Amajuba Mall & surroundings) -Emerging Southern Business extension

	(Casino Development and surroundings) -Madadeni CBD -Osizweni CBD
D Tertiary Node (Municipal SDF)	-Charlestown -Lennoxton
E Rural (Municipal SDF)	-Ingogo -Leokop
F Amajuba Nodal Policy Development Nodes (District SDF)	-Dunblane node -Normandien Pass Node -Muller's Pass Node -Ingogo / Botha's Pass Node

9. Open space systems

10. Demarcation of the urban edge

11. Implementation of the SDF

a. Special Development Areas

- i. The **Newcastle CBD** as a primary node;
- ii. The **Madadeni** CBD as a secondary node;
- iii. The **Osizweni** CBD as a secondary node;
- iv. The **JBC** intervention area as a primary node;
- v. The **Newcastle South** intervention area;
- vi. The **Kilbarchan, Ingagane & Ballengeich** intervention area.

b. Rural Development Areas

- i. Charlestown,
- ii. Ngogo, and
- iii. Leokop

c. Current and proposed development applications

Table 8 Development Applications

DEVELOPMENT NAME	TYPE	APPROVED	IN PROGRESS	PROPOSED
Dunblane Golf estate	DFA	X		
Raaswater Eco Estate	DFA		X	
Thornhill	Sec 11 (2)	X		
Eco Park	Sec 11 (2)		X	
H39	DFA		X	
Theku Plaza	DFA	X		
Sithole Mall	DFA		X	
Eyethu Village	PDA			X
Hildrop Group and Cluster	DFA	X		
Hildrop Guest House	Sec 11 (2)		X	
Hildrop Guest House	Sec 11 (2)		X	
Hagards House	Sec 11 (2)	X		
Hildrop wooden Houses	Sec 11 (2)		X	
Fun Farm	Sec 11 (2)	X		
Majuba Lodge	Sec 11 (2)		X	
Monica's Guest	Sec 11 (2)	X		

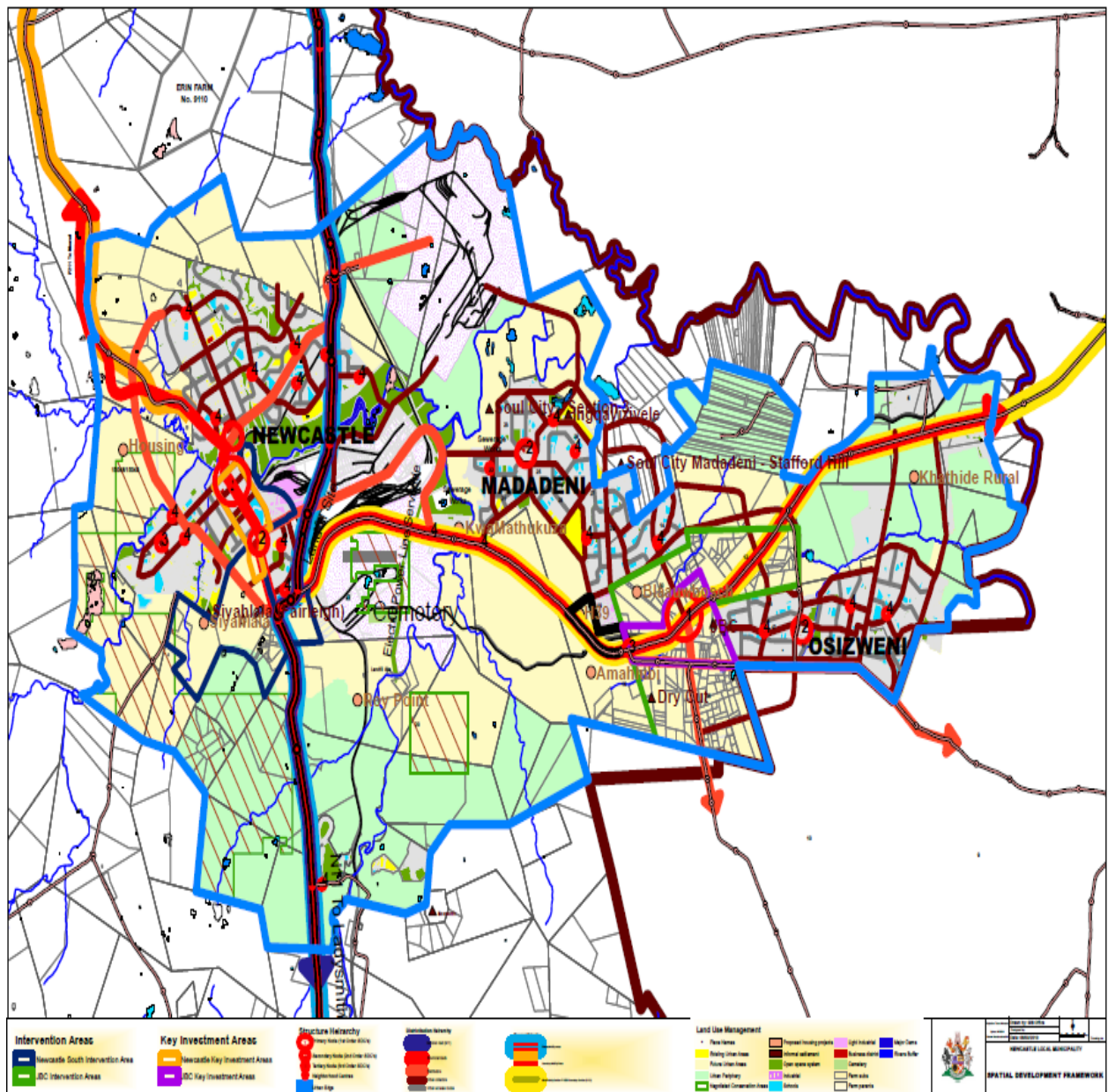
House				
Truck Stop	PDA			X
Majuba Feesterrein	Sec 11 (2)		X	
Grey Goose	DFA	X		
Newcastle Lodge	Sec 11 (2)	X		
Farm Engogo Charlets	Sec 11 (2)	X		
Conradie Charlets	Sec 11 (2)	X		
Farm Leopard Dale Charlets	Sec 11 (2)		X	
Horshoe Conference Centerr	Sec 11 (2)		X	

d. Ward Based Planning- Pilot project Community Based Plan Ward
15

e. SDF Implementation Plan

This is highlighted in the High Level SDF below :

Figure 6 SDF



Newcastle Municipality also hopes to continue striving to be the cleanest /greenest town in the Country. It has successfully launched and finalized a cleanest/greenest ward completion for the first time in Newcastle – as the importance of community participation is seen to be imperative. Many initiatives with both the public and private sector has been pursued in this regard.

Through the District Municipality, the Environmental Management Plan is also in the pursued t be finalized by May 2010. The Newcastle Municipality is also concurrently initiating the development of the Environmental Management Framework(funded by the DEAT) to be finalized later in the year.

A5. WHAT CAN YOU EXPECT FROM US BY ATLEAST 2014

SERVICE DELIVERY TARGETS 2014

Newcastle Municipality aspires towards output/outcome based delivery. The following are recommendations to be placed high on the agenda to be implemented :

Table 9 Service Delivery Targets

NATIONAL KPA	GOAL/OBJECTIVES	TARGET 2014 <i>(to be confirmed against MTBPS)</i>	OUTCOME
Basic Service Delivery	Eradicate basic services backlogs in line with resources available to align to National Targets	Eradication of basic services backlogs	Healthier and happier communities
	Extend services to previously un-serviced areas	50% of previously un-serviced areas receiving a minimum level of service	Healthier and happier communities
Institutional Development and Transformation	Finalise restructuring processes (Micro Structure)	50% reduction in vacancy rate	Improved service delivery
	Develop and review HR strategy and/or policies	100% of HR policies to be aligned to HR Strategy and IDP	Satisfied employees
	Review and implement Workplace Skills Plan and Employment Equity Plan	100% of SDL claimed from SETA	Skilled workforce
		100% implementation of EEP for Top Management (Upto Post level 3)	Compliance with legislation
	Address competency standards of senior managers	100% compliance by 2012	Compliance

Good Governance and Public Participation	Ensure that all statutory committees are functional (oversight/SCOPA, Audit)	Clean audit by 2014	Compliance
	Improve Batho Pele and Corporate image	Develop a service delivery charter	Improved service delivery standards
	Enhance communication and feedback processes via Ward Committees and other Fora	Fully functional ward committees	Informed communities
	Incorporate and implement LG TAS	100% implementation of LGTAS	Improved service delivery
Financial Viability	Improve payment factor	90% payment factor	Financially viable municipality
	Finalise and implement revenue enhancement strategies	5% increase in revenue per annum	Strong customer base
Local Economic Development	Review and implement LED Strategy	50% reduction of unemployment	Sustainable communities
	Fast track programmes for SMME development	100% of trained SMME's	Capacitated SMME's
Spatial and Environmental Planning	Review SDF annually	Annual review of SDF	
	Implementation of Environmental Management Plan	%age of EMP implemented	Cleaner, health environment

FINANCIAL PLAN/MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK

DORA ALLOCATIONS

The following Division of Revenue Act allocations will support the implementation of both high level and operational strategies :

Table 10 DORA Allocations

Grant Description	Operating/ Capital	2010/11 Allocation	2011/12 Estimate	2012/13 Estimate
Equitable Share	Opex	225 777 000	255 395 000	281 462 000
Finance Management Grant	Opex	1 200 000	1 450 000	1 500 000
Municipal Systems Improvement Grant	Opex	750 000	790 000	800 000
Neighbourhood Development Partnership (Capital)	Capex	15 000 000	20 000 000	20 000 000
Water Services Operating Subsidy	Capex	0	0	20 000 000
Municipal Infrastructure Grant	Capex	61 714 000	74 224 000	90 249 000
Intergrated National Electrification (Municipal)	Capex	7 358 000	10 000 000	7 000 000
Intergrated National Electrification (Eskom)	Capex	8 322 000	0	8 276 000
Electrification Demand Side Management (Eskom)	Capex	0	3 000 000	0
Neighbourhood Development Partership	Opex	2 100 000	1 000 000	700 000
Expanded Public Works Programme Incentive	Opex	870 000	0	0

Total National Allocations	323 091 000	365 859 000	429 987 000
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Grant Description	Operating/ Capital	2010/11 Allocation	2011/12 Estimate	2012/13 Estimate
Greenest Municipality Competition	Opex	165 000	0	0
Municipal Clinics	Opex	1 193 000	0	0
Property Rates	Opex	2 282 000	2 419 000	2 634 000
Recapitalisation of Community Libraries	Capex	285 000	285 000	285 000
Museums Services	Opex	73 000	77 000	81 000

Total Provincial Allocations	3 998 000	2 781 000	3 000 000
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Less Indirect Grants	2 282 000	2 419 000	2 634 000
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**Actual Provincial Allocations to
Municipality**

6 280 000 5 200 000 5 634 000

MTREF PROPOSALS : 2010/11 TO 2012/13

Table 11 MTREF 2010-2013

	2008/09	2009/10		2010/11	2011/12	2012/13
	ACTUAL	APPROVED BUDGET	ADJUSTED BUDGET	*DRAFT BUDGET	**INDICATIVE	**INDICATIVE
REVENUE	-840 669 865	-887 777 988	-943 023 661	-1 006 887 528	-1 119 520 878	-1 239 395 523

EXPENDITURE

SALARIES	143 892 219	201 047 921	191 389 426	225 333 319	243 263 895	262 625 553
GENERAL EXPENSES	480 654 964	595 169 629	609 430 461	682 783 677	774 899 845	871 562 704
REPAIRS AND MAINTENANC E	53 870 890	51 158 407	55 953 874	52 612 063	57 873 269	63 660 596
EX-INCOME RESERVE	-277 756	-100 691	-94 521	-100 058	-98 096	-96 172
CAPITAL CHARGES	28 216 336	35 975 460	43 214 042	39 106 055	43 016 660	47 318 326
CONTRIBUTIO NS TO RESERVES	138 653 922	83 574 488	114 782 228	87 830 625	84 253 342	80 894 266
CONTRIBUTIO NS TO CAPEX	1 408 922	0	1 294 386	1 600 000	1656 000	1 713 960
LESS RE- ALLOCATED	-77 362 152	-79 180 329	-73 373 584	-83 833 772	-86 767 954	-89 804 832
TOTAL EXPENDITURE	769 057 334	887 644 885	942 596 312	1 005 331 910	1 118 096 962	1 237 874 401
(SURPLUS) / DEFICIT	-71 612 531	-133 103	-427 348	-1 555 618	-1 423 916	-1 521 122

****The indicative figures as per the Medium Terms Budget Policy Statement/Guidelines as approved by the Council in November 2009.**

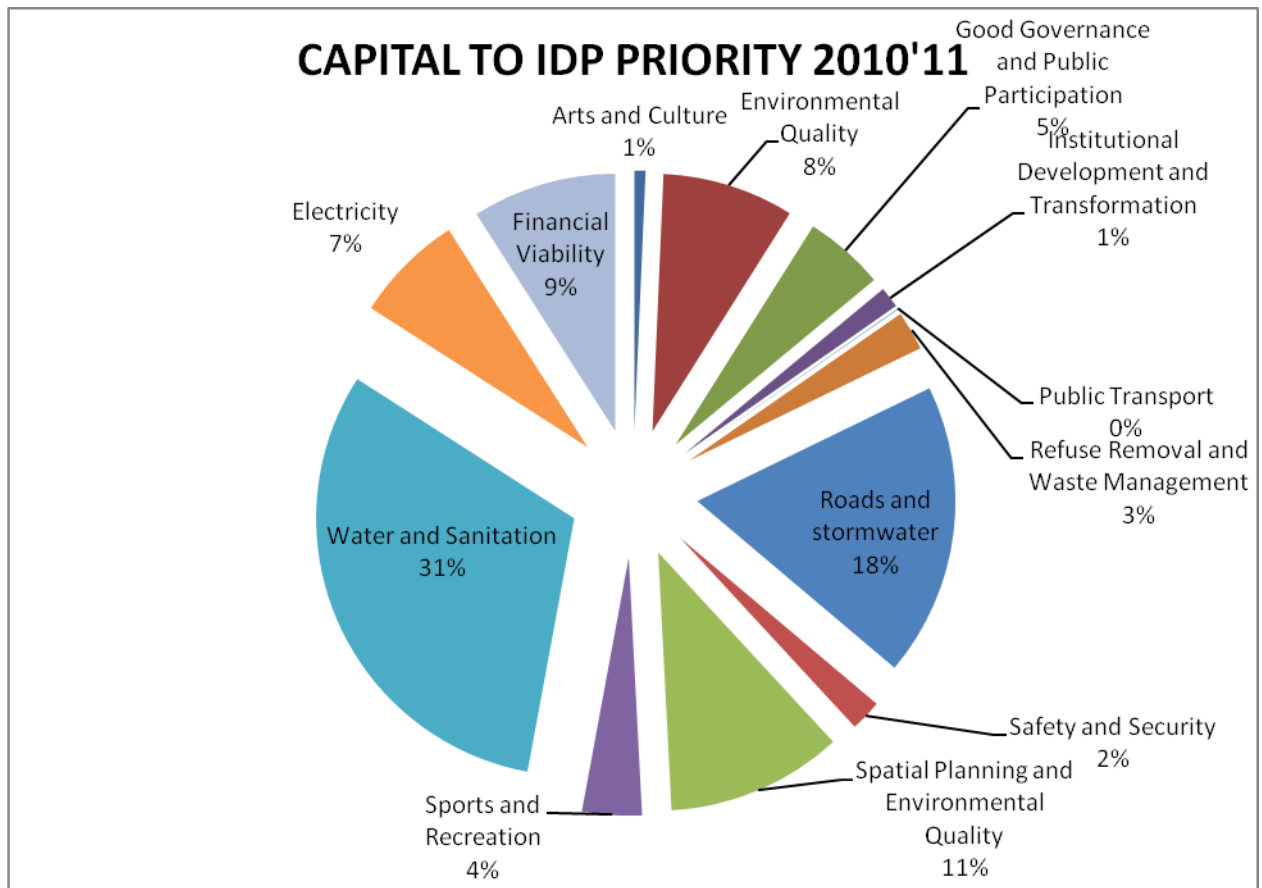
Prioritised Projects for the 2010/11 Financial Year in terms of available DORA funding and internal funding (Revenue, Reserves and Loans) are reflected below aligned to IDP Priorities.

Table 12 Capital Budget to IDP Priority

IDP PRIORITY	BUDGET
Arts and Culture	1 507 000
Environmental Quality	18 259 000
Good Governance and Public Participation	11 100 000
Institutional Development and Transformation	2 910 000
Public Transport	100 000
Refuse Removal and Waste Management	5 425 000

Roads and stormwater	40 571 018
Safety and Security	4 340 000
Spatial Planning and Environmental Quality	24 400 000
Sports and Recreation	8 250 000
Water and Sanitation	68 862 982
Electricity	15 140 000
Financial Viability	20 000 000
	220 865 000

Figure 7 Capital to IDP Priority 2010/11



The above will be further unpacked at a Ward level to determine the investment per ward.

MULTI YEAR CAPITAL BUDGET 2010-2013			
PROJECT NAME	2010/2011	2011/2012	2012/2013
TECHNICAL SERVICES			
Mndoza Township Roads	18 000 000	20 000 000	20 000 000
Osizweni Urban Access Roads Phase 2	14 250 000	20 000 000	20 000 000
Madadeni-Johnston Link Road	5 540 000		
JR2	1 000 000		
BR 1 Phase 3	2 000 000		
Traffic Calming Devise: Speed Humps (West & East)	600 000	600 000	600 000

Traffic Signs : Safety Device	50 000	50 000	50 000
Rehabilitation of Hardwick Street	5 000 000	3 000 000	
Rehabilitation of Faraday Street	5 000 000	3 000 000	
Rehabilitation of Donga	250 000	250 000	250 000
Two Way Radios	70 000	30 000	30 000
Completion of Toucan Place Circle	180 000		
Jenkyn / Kirkland Street: Road Widening	180 000		
Slipway : Boundary to St Dominics	220 000		
Slipway : St Dominics and Kirkland	220 000		
Intersections on Allen Street	1 000 000	4 000 000	4 000 000
Improvement of pedestrian walk ways- CBD & Central	300 000	300 000	300 000
Pedestrian Walkways - Newcastle	800 000		
Amanant Parking	550 000		
Hospital Street Sidewalk	300 000		
Victoria Road Sidewalk	130 000		
Suryaville Tempe Sidewalk	120 000		
Nightingale Road and Parking	400 000		
Storm water management : panorama Drive	1 000 000		
Rehabilitation of Jenkyn Street	400 000		
Reconstruction of Roypoint cemetery road	600 000	4 000 000	
Upgrading River side sub station	7 000 000		
Ripple relay conversion to fibre optic	300 000		
Two way radios	25 000		
Feeder between riverside & formosa	1 200 000		
High Mast Lighting	1 800 000	1 800 000	1 800 000
Blaaubosch, Cavan & Drycut: Electrification	6 615 000		
Vehicles	5 000 000		
	80 100 000	57 030 000	47 030 000
TECHNICAL SERVICES - WATER & SEWER			
Staffardhill Waterborne Sewerage Phase 3	3 000 000		
Viljoen Bulk	37 862 982	30 676 245	
Refurbishment of Madadeni WWTP	20 000 000	20 000 000	25 000 000
	60 862 982	50 676 245	25 000 000
FINANCIAL SERVICES			
Financial System	15 000 000		
	15 000 000	0	0
COMMUNITY SERVICES			
Refuse removal to address backlogs	2 000 000		
Carports Libraries	72 000		
Office accommodation : construction and renovation of new offices	120 000		
Office furniture and equipment for new offices	40 000		

Major Fire Appliances Replacement of old appliances)	1 000 000	4 000 000	4 200 000
Recapitalisation of community libraries	285 000		
Road Marking Machine	50 000		
Road Block Trailer	250 000		
Vehicle Pound	250 000	500 000	
Identification Lamps	50 000		
Two-Way Radios (new)	70 000		
Metal Detectors	100 000		
Fire-arms for law enforcement officer	120 000		
Extension of toilets and kitchen	120 000		
Art Gallery art purchases	30 000	35 000	35 000
Concrete Mixer	6 000	6 500	7 000
Stainless steel tray	3 000	3 200	3 400
Public ablution facility	450 000	500 000	550 000
Public ablution facility (Access for disabled)	100 000	400 000	450 000
Upgrade of Phellindaba sports field	2 000 000	3 000 000	
Re-surfacing of Arbor Park, Fernwood, Paradise, Fairleigh tennis courts	500 000		
Upgrade of cemeteries (section 1 Mad)	2 000 000	5 500 000	5 500 000
Upgrade of play parks	1 500 000	2 500 000	2 500 000
Purchase of electronic burial register for cemeteries	200 000		
Purchase of new machinery and vehicles	250 000	1 500 000	1 500 000
Establishment of new playparks	1 000 000	1 000 000	1 000 000
Airport Upgrade	100 000		
Purchase Skip truck	850 000		
Bulk containers	1 000 000		
Grader with fitted grab	1 500 000		
Partition of workshop for storage of chemicals	30 000		
Purchase of tricycle with fixed container	3 000		
6 x Purchase of two way radios	42 000		
Lanfill new develop	15 000 000		7 000 000
Cemetery identification	500 000	1 000 000	
Upgrading of Charlestown Hall	500 000		
Mobile /satellite libraries	500 000		
Osizweni Stadium	1 000 000		
Blaauwbosch Sports fields	500 000		
Upgrade of Sports Field – Ngagane	1 500 000		
	35 591 000	19 944 700	22 745 400
CORPORATE SERVICES			
Replace Kombis NN 22644	400 000		
Replace NN 103	350 000		
Refurbish municipal offices	450 000	2 000 000	1 000 000

Extend municipal offices	10 000 000	15 000 000	20 000 000
Replace telephone systems		1 300 000	
Furniture and Equipment	2 000 000		
Carports and Paving: Civic Centre	650 000	250 000	
	13 850 000	18 550 000	21 000 000
PLANNING AND DEVELOPMENT SERVICES			
Urban Renewal and Township Regeneration Strategy Implementation and review	15 000 000	20 000 000	20 000 000
JBC Farms Layout Planning	500 000	500 000	1 000 000
Landscaping and improvement of Madadeni Central Business Area	200 000	4 000 000	4 000 000
Landscaping and improvement of Osizweni Central Business Area	200 000	4 000 000	4 000 000
Provision of infrastructure (Pioneer Park, Lennoxton etc)	5 000 000		
Upgrade Jakaranda Flats	500 000		
Hawker Stands	500 000		
Poverty Alleviation	2 500 000	5 000 000	
	24 400 000	33 500 000	29 000 000

TOTAL 2010/2011 CAPITAL BUDGET

229 803 982 179 700 945 144 775 400

Any further requirements are indicated on the Five year Plan as Uncommitted Projects for which funding must be sourced.

The following Housing Projects have been identified as priorities.
Table 13 Housing Projects

NEWCASTLE MUNICIPALITY HOUSING PROJECTS			WARD NO	Project Status
REF	HOUSING PROJECT NAME	TOWNSHIP / AREA		
A	Siyahlalala/Viljoen Park Housing Project	Newcastle - Fairleigh	25	Finalising application for funding PLS for
B	Roy Point Housing Project	Farm Roy Point	21	Finalising land negotiations for Ptn 3 of Roy Point Farm
C	Kwa-Mathukuza Slum Clearance Project	Madadeni - Kwamathukuza	20	In Progress
D	Dry Cut Nine Miles		-	Land Dispute between Amahlubi and Ingonyama Trust Board
E	Madadeni Unit K – Phase II	Madadeni Township	20	
F	Madadeni Housing Project H39	Madadeni H39	21	Negotiations for additional land in progress to accommodate increase in

				beneficiaries from Inggayizivele Hostel
G	Emlotheni Housing Project: Lot 9306	Madadeni Township	27	Completed
H	Stafford Hill Housing Project (1000)	Madadeni Township section 7	29	Completed
I	Stafford Hill Housing Project (4400)	Farm Leslie	31	Completed
J	JBC Housing Project	JBC Intervention area	16/18	Finalising land acquisition process. Phase expected to be complete by June 2011
K	Osizweni Section F – Phase II	Osizweni Township	11	In Progress
L	Emawozeni Housing Project	Osizweni Township	6	To re-appoint Implementing agent
M	Khatide Housing Project	Farm Forvie	31	Application to DHS in progress
N	Osizweni Section F – Phase I	Osizweni Townships	11	In Progress
O	Khathide Housing Project – Phase I	Khathide Settlement	6	Completed
P	Osizweni Section E – Phase II	Osizweni Township	9	Application submitted to Kzn DHS
Q	Osizweni Section E – Phase III	Osizweni Township	10	Application submitted to Kzn DHS

Table 14 Development Planning Initiatives

NEWCASTLE MUNICIPLITY PLANNING INITIATIVES		WARD NO.
NAME	STATUS	
Newcastle CBD Development Plan	Approved – implementation phase	4
Newcastle Open Space Framework and Policy	Approved – Implementation Phase	Various
Newcastle Home Based Business Policy	Approved – Implementation Phase	Various
Newcastle South Spatial Development Framework (Intervention area)	Approved – Implementation Phase	1/25
Cell phone mast Policy	Approved – Implementation Phase	Various
Shipping Container Policy	Approved – Implementation Phase	Various
Advertising Policy	Approved – Implementation Phase	Various
Hardwick Street Precinct Plan	Draft Document	4/25
CBP Ward 15	Draft Document	15
KIB Spatial Development Plan	Inception Report	21
Newcastle CBD Traffic and Transportation Study	Inception Report	4/25
MR483 Activity Corridor	Draft Report	Various

Land Use Management System	Draft Report	Various
Street Naming – Madadeni	Implementation Phase	Various
Charlestown Rural Development Plan	Planning Phase	1
Ngogo Rural Development Plan	Approved – Implementation Phase	1
Street Naming – Osizweni	Implementation Phase	Various

In terms of the Five Year Plan (Draft- uncommitted), the following have been determined :

Table 15 Five Year Plan

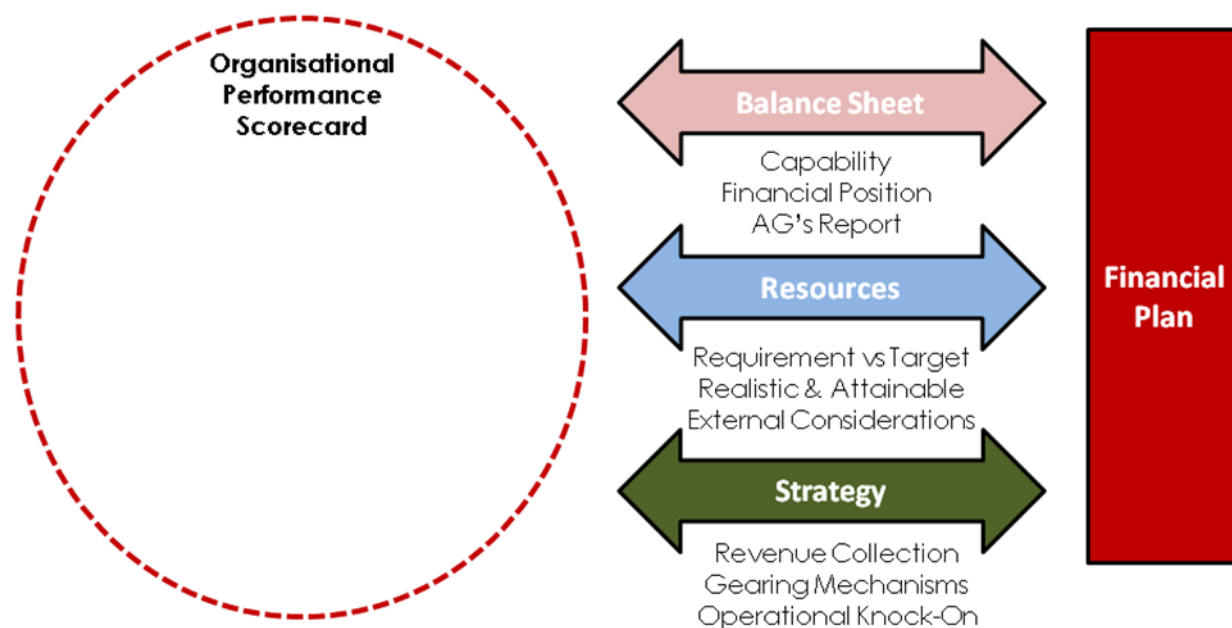
DEPARTMENT	SECTION	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
		CAPITAL	CAPITAL	CAPITAL	CAPITAL	CAPITAL
TECHNICAL SERVICES	PMU	166 193 065	79 000 000	59 000 000		
	PMU : WATER AND SANITATION	67 328 200	52 571 232	21 000 000		
	Electrical : Capital	27 102 000	11 953 152	9 365 500		
	Electrical : Mechanical	2 523 000	2 572 225	81 000		
	Electrical: Vehicles	4 020 000	2 200 000	2 210 000		
	Roads and Stormwater	13 187 000	25 360 000	13 863 000	14 770 000	15 950 000
	Administration	694 150	256 900	260 900	104 750	210 250
Community Services	Administration	586 000		9 000		
	Fire Services	3 855 000	4 405 000	4 308 000		7 000 000
	Traffic	4 870 000	850 000		10 500	
	Security	4 812 000	200 000	240 000	500 000	
	Health	295 170 415	179 368 509	110 337 400	15 385 250	23 160 250
	Parks	20 900 000	23 350 000	25 000 000	13 000 000	11 500 000
	Culture and Amenities	6 873 139	35 000	35 000	35 000	35 000
	Waste Management	10 985 000	16 021 000	25 000 000	4 000 000	2 800 000
	Other Priorities	11 200 000		4 000 000	15 200 000	
Corporate Services		16 900 000	18 550 000	21 000 000		
Development Planning & Human Settlements		19 850 000	18 850 000	16 200 000	5 400 000	5 000 000
Total uncommitted funds		677 048 969	435 543 018	311 909 800	68 405 500	65 655 500

The Financial Plan (Draft) of the municipality further makes recommendation on the eradication of backlogs based on MIG. The

water and sanitation service is used as an example for a LOW ROAD scenario and a HIGH ROAD scenario :

Figure 8 Financial plan perspective

To provide Strategic Direction and to demonstrate the Capability of the Municipal Institution to meets its Development Objectives applying sound Financial Principles



BACKLOG ERADICATION : LOW ROAD SCENARIO

Figure 9 Low Road Scenario

	Low Road Scenario (Water & Sanitation)					
MIG DORA Allocation	41,381,000	32,393,000	25,000,000	30,000,000	35,000,000	163,774,000
NLM Budget Allocation	30,250,000	35,000,000	40,000,000	45,000,000	50,000,000	200,250,000
	95,581,633	99,819,633	102,212,633	92,212,633	82,212,633	472,039,164
	Estimated additional 4 Years to address backlog					77%
Operational Cost (New Infrastructure)	6,688,505	6,688,505	6,688,505	6,688,505	6,688,505	33,442,527 4%
Operational Cost (Human Resources)	8,360,632	8,360,632	8,360,632	8,360,632	8,360,632	41,803,158 5%
	15,049,137	15,049,137	15,049,137	15,049,137	15,049,137	75,245,685
	Allocation towards Operational Costs					16%

- Newcastle Capital requirement of **R472m over next 5 Year – 77% Eradication**
- Operation Knock-On of **R75m** over next 5 Years (5%)
- Annual Service Delivery of **7 916 Units collective per Sector (Water & Sanitation)**

BACKLOG ERADICATION : HIGH ROAD SCENARIO

Figure 10 High Road Scenario

	Year 1 2009/10	Year 2 2010/2011	Year 3 2011/2012	Year 4 2012/2013	Year 5 2013/2014	Total	
High Road Scenario (Water & Sanitation)							
MIG DORA Allocation	41,381,000	32,393,000	25,000,000	30,000,000	35,000,000	163,774,000	
NLM Budget Allocation	30,250,000	-	-	-	-	30,250,000	
NLM Budget Requirement	125,831,633	134,819,633	142,212,633	137,212,633	132,212,633	672,289,164	
	167,212,633	167,212,633	167,212,633	167,212,633	167,212,633	836,063,164	
				To meet Target of 2014		100%	
			NML Average Contribution to Household			18,727	
No of Units (Water - Rural)	1,024	1,024	1,024	1,024	1,024	5,118	
No of Units (Water - Urban)	1,535	1,535	1,535	1,535	1,535	7,677	
No of Units (Sanitation - Rural)	2,340	2,340	2,340	2,340	2,340	11,698	
No of Units (Sanitation - Urban)	3,509	3,509	3,509	3,509	3,509	17,547	
No of Units (Electricity - Rural)	1,097	1,097	1,097	1,097	1,097	5,484	
No of Units (Electricity - Urban)	1,097	1,097	1,097	1,097	1,097	5,484	
Accumulative No of Units	8,408	15,281	22,154	29,026	35,899	35,899	
Operational Cost (New Infrastructure)	7,898,505	6,688,505	6,688,505	6,688,505	6,688,505	34,652,527	4%
Operational Cost (Human Resources)	9,873,132	8,360,632	8,360,632	8,360,632	8,360,632	43,315,658	5%
	17,771,637	15,049,137	15,049,137	15,049,137	15,049,137	77,968,185	
			Allocation towards Operational Costs			9%	

- Newcastle Capital requirement of **R836m over next 5 Year – 100% Eradication**
- Operation Knock-On of **R77m** over next 5 Years (9%)
- Annual Service Delivery of **8 408 Units collective per Sector (Water & Sanitation)**

The approach therefore of the Financial plan is to take into account the Newcastle Municipalities contribution to ensure that service delivery priorities as listed below take the following into account for the development of a realistic Capital Investment Program:

- Backlog eradication
- Rehabilitation of infrastructure
- Maintenance on assets
- New Infrastructure taking into account development demands and trends

This process is expected to be finalised by May 2010.

A6. How will our Progress be measured? Performance Management

The strategic objectives in the Integrated Development Plan (IDP) should inform the budget and the Performance Management System. This in turn unpacks into an SDBIP which give effect to the IDP and the budget. The SDBIP sets information on performance indicators, quarterly service delivery targets and monthly budget

targets. Managers are required to report on a monthly and quarterly basis against the targets and Council can then monitor performance of the municipality against the quarterly targets on service delivery.

The process of managing performance

The annual process of managing performance at organisational level in the Municipality involves the steps as set out in the diagram below:

The following table, derived from both the legislative framework for performance management and this PMS framework, summarises for ease of reference and understanding the various performance reporting deadlines as it applies to the Municipality:

Table 16 PMS Reporting

Report	Frequency	Submitted for consideration and/or review to	Remarks
1. SDBIPs	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organisational Scorecard	Quarterly	Executive Committee	This PMS framework (see section 7.5.1 above)
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
6. Annual report	Annually	Council	See chapter 12 of the MFMA

This is in line with the approved PMS Framework. Furthermore the MSA and related regulations for Top management (section 57's) must have in place a performance agreement that is aligned to the IDP and PMS. The SDBIP usually is the basis for the development of a Performance plan for a section 67 employee and the monitoring and reporting and evaluation is carried out in terms of relevant regulations. A performance bonus may be paid on formal evaluation through a Panel constituted for this purpose – EVALUATION PANEL and only on adoption of the Annual Report for the year in question.

A PMS calendar has been developed to assist managers in measuring progress on a monthly basis to ensure alignment with targets. It is also imperative that both the EXCO and Council play an oversight role in this regard either through the Oversight Committee/Municipal SCOPA. Furthermore, it is necessary for public participation processes to be streamlined to allow for community input into the performance management process to ensure that the goals as set in the IDP is achieved.

It should be noted also that a performance auditing process through both Internal audit and the Audit committee is legislated. Internal Audit make provision for this purpose in its annual audit plan, whilst the Audit Committee established for both Financial and Performance Audit purposes meets on a quarterly basis. Vacancies for the Audit Committee have occurred, and the Council is in the process of filling same.

A.7. How was this Plan Developed ?

A new comprehensive and updated Integrated Development Plan for the Newcastle Municipality, covering the period 2007 to 2011, was adopted in 2007 in terms of the Municipal Systems Act, Act 32 of 2000. This IDP is reviewed and for this purpose 2nd generation Newcastle IDP 2007 - 2011 shall be referred to as the "principal IDP". This being the last review for the round of IDP's, attempts will be made to set the tone for the 3rd generation IDP's to guide the new Council to be appointed in the 2011 local government elections.

The principal IDP undertook a comprehensive review and analysis of the Newcastle Municipality and specifically highlighted economic and infrastructural backlogs, together with the developmental challenges with which the Newcastle Municipality is faced. These serve as the baseline for municipal delivery, monitoring and performance and the principal IDP set out specific objectives and strategies to address these backlogs and challenges. In addition, these have been re-assessed on an annual basis within through the required IDP Review Process.

This Newcastle 2010/2011 IDP Review is also done within the context of newly formulated and revised guidelines of the KwaZulu-Natal Provincial Government's Department of Local Government and Traditional Affairs for the review and assessment of IDPs. These guidelines specifically provide clarification on the contents and format of reviewed IDPs for their subsequent assessment.

A Draft Process Plan to guide the 2010/2011 Newcastle IDP Review was considered and approved by the Newcastle Municipality in August

2009 and further refined in March 2010. This Process Plan sets out comprehensively the process of Review, including timeframes for achieving certain milestones and aligning the IDP, PMS and Budget Processes. It details responsibilities, methodology, mechanism for community participation and mechanism for alignment with other stakeholders.

Key Elements to be addressed during this Process:-

During the process of deepening strategic influence of the IDP, consideration to the constantly changing environment impacting on the municipality needs to be considered too. In general terms the review then also addresses the following:

- **Incorporation of comments from various Role Players** - The extensive list of comments received during the previous IDP review as well as any other relevant comments received from roleplayers during this review will be recorded, considered and incorporated where appropriate to contribute to the incremental improvement of the strategic nature of the IDP.
- **Incorporate comments from Provincial MEC Panel** – Although the focus on the strategic influence of the IDP is in itself a direct result of the comments received from the Provincial MEC panel on the previous IDP review, the 2010/11 review will aim to address all the outstanding comments as far as possible.

Table 17 : MEC's assessment and response thereto

Table 18 MEC assessment - Response

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Capacity to perform allocated Powers and Functions	The importance of the establishment of the Work Study component is stressed as this unit would be able to clearly evaluate the capacity requirements. Due to the non-existence of this unit, the micro structure process will address capacity constraints re powers and functions.
	Capacity adequacy and constraints and its impact to be highlighted	Service Providers was appointed to do the Micro Structure. It was unfortunately clear that a Skills Audit need to be done before the Micro Structure can be finalised. Therefore the process has been

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
		<p>delayed. In the meantime, positions that are critical are being filled in order for service delivery to take place. The non-existence of the Work Study Unit has impacted negatively on issues like the Micro Structure, job descriptions as well as investigations regarding the critical level of vacancies.</p>
	<p>Recruitment and Retention that impact on capacity</p>	<p>The insufficient provision of funds, the moratorium on the filling of vacancies as well as the review of the Recruitment and Selection policy and Retention Policy leads to the lack of capacity for effective service delivery. Constraints created by the rules and regulations of the SALGBC which prohibits municipalities to restructure salary packages creates a barrier in the retention of scarce skills. This problem is further compounded by the fact that job descriptions have not been finalised.</p>
	<p>Relevance of workplace skills plan and HR Strategy to long term developmental goals</p>	<p>The workplace skills plan is subject to review as part of the process of developing the micro structure. This process commenced in October 2009 and is to be finalised by June 2010</p>
	<p>IGR process to be detailed</p>	<p>The ADM IGR Forum is dysfunctional . A Technical IGR Forum was established in October 2009 as is detailed in the IDP. An Action plan to address IGR issues have been drafted. The Forum will be further clustered into specific focus areas to improve integration and co-ordination</p>
<p>LOCAL ECONOMIC DEVELOPMENT (LED)</p>	<p>Align the strategy with the Provincial Spatial Economic Development Strategy (PSEDS).</p>	<p>The LED Strategy is aligned with the provincial strategy with respect to the three main sectors that are prevalent within our area. Manufacturing , Agriculture & Tourism. Our consultants were briefed on the alignment between the District Strategy and the Provincial Strategy.</p>

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	To reflect at least your main LED Strategies and your LED Implementation Plan in your IDP Review document	To include in the IDP Review.
	Progress made with the implementation of LED, as per the LED Implementation Plan	To include in the IDP Review
	Insufficient evidence in your IDP to indicate that LED has been well institutionalised in your organisation	TO include in the IDP
	Encouraged to ensure that the LED Plan and the proposed projects emanating from the plan are spatially reflected and aligned with your reviewed SDF	<p>The LED strategy has been compiled in May 2007 and is in severe need of a review to compliment the Spatial Development Framework. The major impact on this is :</p> <ul style="list-style-type: none"> (a) Shortage of Industrial land for development (b) Severe impact of essential services including Water, Power, Sanitation and road infrastructure (c) Sufficient nodal points are indicated however the infrastructure to support growth is required. <p>To include in the IDP</p>
	You are encouraged to pay particular attention to the role of the second economy in your municipal area.	<p>The informal economy lacks a sound policy which is non-existent in our municipality and provision on budget needs to be made for the development thereof. We have however identified SMME projects that are being implemented in the 2009/2010 budget.</p> <ul style="list-style-type: none"> (a) Hawker Shelters (b) Ingogo cluster (c) PET Collection points

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	Need to ensure that specific strategies are in place to ensure that opportunities for SMME development are converted to implementation of projects on the ground.	To include in IDP
BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	Does not reflect an integrated infrastructure investment plan or programme	To include 5 year plan in IDP. Funding for an Infrastructure development Plan is being pursued through various funding authorities.
	Prioritised projects should also be spatially indicated and its possible strategic impact, from a spatial perspective, needs to be reflected in the next IDP Review. to give attention to holistic infrastructure development	TO include in SDF and IDP
	Improving the alignment of the projects with your development objectives and strategies, your budget and OPMS.	To include in the IDP
	No mention is made of the Municipal Comprehensive Infrastructure Plan	Process not complete, but where information is available, to be incorporated into the IDP
	Municipal Action Plan that informs the IDP Implementation Plan. The Action Plan has not been included in the IDP Review, nor has an Implementation Plan been reflected in the IDP.	Municipality has deviated from the 5 year plan, 3 year plan and has now adopted a 1 year plan. SDBIP's included as approved as the implementation plan. The Mid year Assessment is included

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	Continually source for funding from all available sources, in order to prepare your outstanding sector plans and to implement it in a prioritised manner	To be included as a priority in municipal strategies
	Ensure that implementation plans are prepared for these outstanding plans in order to assist with its roll-out once completed.	
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Does not contain a fully-fledged Financial Plan You are urged to attend to this matter and to ensure that the Financial Plan provides, <i>inter alia</i> , a summary of the Capital and Operational Budget (not only the operational budget as reflected in your current IDP Review), revenue raising strategies (given your high grant dependence), financial management strategies, asset management strategies, debt management and recovery strategies and capital financing strategies.	This is in progress. A draft is to be included in the IDP Review
	Ensuring a greater level of alignment of the municipal budget with the key performance	To be addressed through alignment of LGTAS

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	areas and priorities, development objectives, strategies and KPIs, as well as the OPMS, as set out in the IDP Review.	
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	No detailed feedback has been provided with regards to the implementation of the Process Plan	To be included
	Engagement of communities, sector departments and other interested and affected parties are not clearly evident in your IDP	To be included
	No update or feedback has been provided since 2006 with the implementation of proposed municipal inventions and strategies in respect of HIV/Aids. It is thus unclear whether the good effort of 2006 is being maintained. Municipal assistance / interventions with regards to other special groups (youth, women and the elderly) also need to be reflected in the IDP Review	To be included
SPATIAL DEVELOPMENT FRAMEWORK (SDF)	A SDF Implementation Plan for the roll-out of identified projects. Further, you need to ensure alignment of your SDF with the National Spatial Development Perspective (NSDP) and PSEDS.	Included in SDF Review

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	Environmental sector plan/s need to be developed and environmental information incorporated into your IDP (and SDF)	Being done by ADM. A EMF being done in 2010/11
	Regret that a spatial expression of your Capital Investment Framework was not submitted with your IDP, and this impacted on the assessment as I could not assess the proportion of your municipal budget that is spent on priority corridors and nodes identified in your SDF.	Included in SDF Review
	Consider the SDF guidelines formulated by my Department, for application in reviewing your SDF	SDF Form included in IDP
	Some of these compliance issues relate to the aforementioned guidelines: for example, assessment of geotechnical hazards; spatial planning of capital investment; and urban edge management.	
	Compliance with SDF and LUMS form	Included in SDF Review
	Incorporate the Housing Sector Plan	Included in IDP

NATIONAL KPA	MEC COMMENT	MANAGEMENT RESPONSE
	into the IDP thereby integrating housing programmes and projects	
	Prioritised and strategically located projects in IDP	Included in Reviewed SDF

- **Review & inclusion of new/additional information** – This refers to both historical information which might not have been available or accessible before as well as newly statistical, strategy and or research information available. As before the focus is not on generating a cumbersome volume of development information, but merely to evaluate and extract key information which will need to be considered during the prioritization process and formulation of IDP.
- **Weaknesses through self-assessment** – The Municipality has identified gaps as part of its review process and has accordingly addressed these as part of this review
- **Alignment of Sector Plans** – The alignment of both district wide and municipal sector plans and other relevant research studies always forms part of the IDP review process and especially newly available plans will be considered and incorporated.
- **Alignment of IDP with Provincial Programmes & Policies** – Through especially the Provincial Spatial Economic Development Strategy (PSEDS), the co-ordination of provincial departmental strategic plans and budgets has been becoming increasingly important. The available Medium Term Expenditure Framework budgets from the various provincial departments will be incorporated within the IDP and budget as far as possible.
- **Incorporation of pilot project for Community Based Planning** - The outcomes of the Community Based Planning Pilot Project for WARD 15 is incorporated into this Review. The principles of this process has been welcomed by the Council as a process to be fast tracked with all Ward in Newcastle to ensure a more credible IDP process to inform budgeting.

- Incorporation of sector departments' projects and the outcomes of the IGR Technical Task team indaba. This process was initiated to vigorously engage all sector departments operating within Newcastle. An IGR Indaba held in October 2009 was highly successful – which resulted in the establishment of an IGR Technical task team and the development of an IGR Action Plan to ensure improved integration and co-ordination between the different spheres of government. Furthermore, the clustering of departments will be pursued into specific priority focus areas.
- Incorporation of Powers and Functions and capacity assessment – this was done to determine that capacity of the municipality to perform allocated powers and functions. An evaluation of Powers and Functions against the GFS allocations on the municipal budget has been inserted in this review. A gap analysis must be pursued against these to determine how the municipality must ideally be structured to render on its allocated mandate.
- Review of statistics – this will be done in line with relevant available information. It however remains an area on contention until such time that a comprehensive baseline survey is carried out. The Municipality is in the process of engaging STATS SA in this regard.
- Incorporation of financial plan – this will be incorporated into the IDP. The final Financial Plan is expected to be completed by May 2010
- Incorporation of financial strategies (revenue enhancement strategies) – being a key intervention priority of the municipality, this was a comprehensive process funded by Cogta through the CMTP. This is expected to be finalized by end of May 2010.

*N.B Due to the inconsistencies in the Community Survey 2007 statistics, Newcastle Municipality have resolved to continue using Census 2001, as projected. The Consolidated Infrastructure Plan and other available stats was used to determine baseline information. Through consultations with Stats SA in Newcastle it was agreed that these stats be included for the purposes of IDP and that this form the basis of all planning for Newcastle and the relevant government departments be advised accordingly.
A Backlog study is identified as a priority and partnerships are being sought to take this process further.*

Table 19 : Comparative analysis Community Survey 2007

COMPARATIVE ANALYSIS			
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	GLOBAL INSIGHT (2008)	COMMUNITY SURVEY 2007	Projected /Actual 2010	
Population	364244	327637	539228	Projected - As per IDP - 3.5% growth factor
No. of Households	84744	77786	97804	Projected - As per IDP - 3.5% growth factor
Average household size	4.2	4.5	5- Urban 7- Rural	CBP and WSDP
Water Backlogs	13,6%	5.80%	18%	Projected
Sanitation Backlogs	27,8%	13.10%	18%	Projected
Waste Disposal backlogs			35%	Projected
Electricity backlogs(for heating)	25,1%	40.60%	5%	Projected
Formal housing backlogs		10.60%	25%	Projected
Population growth	1,7%	(-1,56)	3,5%	

An example of an inconsistency highlighted above is the negative growth in the population as indicated above is perceived to be inconsistent with the realities on the ground. Newcastle has seen an influx of people into the town since 2001, and through planning initiatives, the growth factor is estimated to be 3.5%.

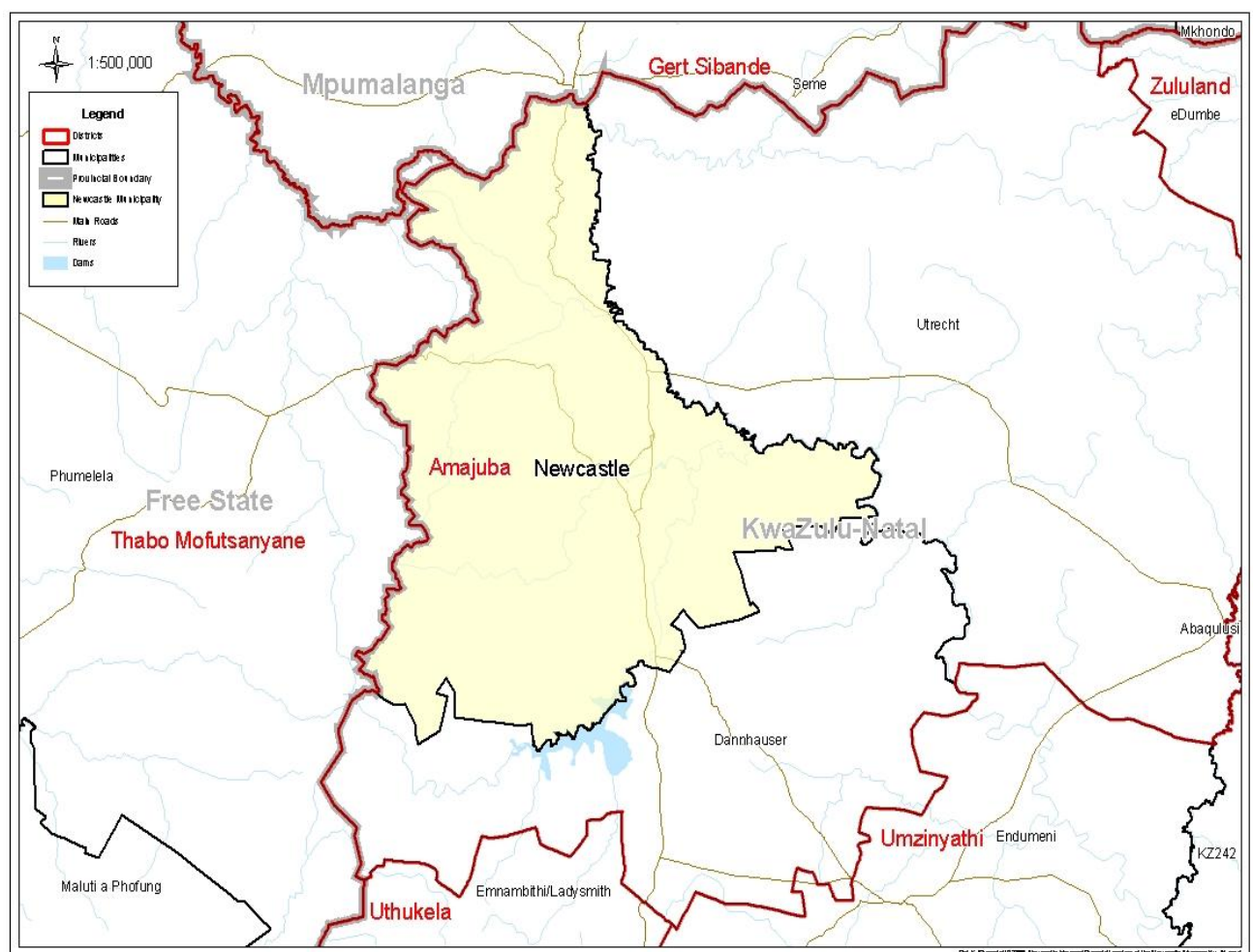
SECTION B: SITUATIONAL ANALYSIS

B1. Local/Regional Context

Location

Newcastle Municipality falls within Amajuba District (DC 25). It is located in the inland region on the Northwest corner of KwaZulu Natal, a few kilometres south of the Free State, Mpumalanga and Gauteng provincial borders, in the foothills of the Drakensberg. The municipality covers an area of 1855km² made up of 31 wards compared to 222km² prior to 1996

Figure 11 : Locality Map



B2. Demographic Realities

Gender Distribution

Newcastle is dominated by a female population of (53%) over a male population of (47%).

This gender distribution conforms to the National norm, and in line with the historical subordination of females, it can therefore be presumed that the female population are the most affected by poverty. Thus the need for programmes specifically targeted to ensure poverty alleviation and gender equity. The Newcastle Municipality through its Special Programmes have prioritised Gender issues. A Gender Forum has been established in August 2009 to attempt to co-ordinate all gender related issues in the Municipality. Specific projects and programmes aligned to the National Program will also be rolled out in line with the municipal program of action.

Age Cohorts

Statistics indicates a relatively young population with 77% of the population falling below the age of 34. The population is dominated by a youthful population of 49%, signifying high potential for population growth in the future. However, it is also this part of the population that is most under the potential threat of HIV/AIDS.

This young population places a demand on education, social welfare and health services. The need to stimulate the economy for the promotion of job creation is also necessary as this population will contribute significantly to Economic growth.

Household Size

The Newcastle Municipality has a 23% Rural population and a 77% urban population. According to the Community based Plan (Ward 15) the household size in the urban areas differs from that of the rural areas. It has therefore been determined that the household size in Rural areas is between 7-10, whilst the urban household size is 5.

The Newcastle Population

The growth in the total number of households to have been determined at an annual growth rate of 3,5% since 2001. This is consistent with previous IDP Reviews. Accordingly the total population of Newcastle has been projected 539 228.

Due to the inconsistencies in the Community Survey 2007 statistics, Newcastle Municipality have resolved to continue using Census 2001, as projected. The Consolidated Infrastructure Plan and other available stats was used to determine baseline information. Through consultations with Stats SA in Newcastle it was agreed that these stats be included for the purposes of IDP and that this form the basis of all planning for Newcastle and the relevant government departments be advised accordingly.

A Backlog study is identified as a priority and partnerships are being sought to take this process further.

Table 20 : Comparative analysis Community Survey 2007

COMPARATIVE ANALYSIS				
	GLOBAL INSIGHT (2008)	COMMUNITY SURVEY 2007	Projected /Actual 2010	
Population	364244	327637	539228	Projected - As per IDP - 3.5% growth factor
No. of Households	84744	77786	97804	Projected - As per IDP - 3.5% growth factor
Average household size	4.2	4.5	5- Urban	CBP and WSDP

			7- Rural	
Population growth	1,7%	(-1,56)	3,5%	

An example of an inconsistency highlighted above is the negative growth in the population as indicated above is perceived to be inconsistent with the realities on the ground. Newcastle has seen an influx of people into the town since 2001, and through planning initiatives, the growth factor is estimated to be 3.5%.

The population projections per ward are shown below :

Table 21 Population Projection by Ward

		Urban/rural	HOUSEHOLDS		Population Projections
			Households 2001	Households 2010	
Ward 1	Rural Scattered	Rural	3604	4 585	32 097
Ward 2	Urban – Formal	Urban	2 652	3 614	18 072
Ward 3	Urban – Formal	Urban	2 074	2 827	14 133
Ward 4	Urban – Formal	Urban	2 241	3 054	15 271
Ward 5	Urban – Formal	Urban	2 339	3 188	15 939
Ward 6	Rural Village < 5000	Rural	3 001	4 090	28 630
Ward 7	Urban – Informal	Urban	2 844	3 876	19 380
Ward 8	Urban – Former Township	Urban	1 697	2 313	11 564
Ward 9	Urban – Former Township	Urban	2 786	3 797	18 985
Ward 10	Urban – Former Township	Urban	2 454	3 345	16 723
Ward 11	Urban – Former Township	Urban	2 375	3 237	16 184
Ward 12	Rural Village < 5000	Rural	1 910	2 603	18 222
Ward 13	Urban – Former Township	Urban	1 741	2 373	11 864
Ward 14	Urban – Former Township	Urban	3 161	4 308	21 541
Ward 15	Rural Village < 5000	Rural	2 262	3 083	21 580
Ward 16	Rural Village < 5000	Rural	2 154	2 936	20 550

			HOUSEHOLDS		
		Urban/rural	Households 2001	Households 2010	Population Projections
Ward 17	Urban – Former Township	Urban	2 146	2 925	14 624
Ward 18	Rural Village < 5000	Rural	2 835	3 864	27 047
Ward 19	Urban – Former Township	Urban	1 975	2 692	13 459
Ward 20	Urban – Formal	Urban	2 189	2 983	14 917
Ward 21	Urban – Former Township	Urban	2 158	2 941	14 706
Ward 22	Urban – Former Township	Urban	1 844	2 513	12 566
Ward 23	Urban – Former Township	Urban	1 948	2 655	13 275
Ward 24	Urban – Former Township	Urban	2 151	2 932	14 658
Ward 25	Urban – Formal	Urban	2 263	3 084	15 421
Ward 26	Urban – Former Township	Urban	1 903	2 594	12 968
Ward 27	Urban – Former Township	Urban	2 128	2 900	14 501
Ward 28	Urban – Former Township	Urban	1 960	2 671	13 356
Ward 29	Urban – Former Township	Urban	2 337	3 185	15 925
Ward 30	Urban – Former Township	Urban	1 978	2 696	13 479
Ward 31	Rural Scattered	Rural	2 892	3 941	27 590
			72002	97 805	539 228

From the above, the Population concentration are primarily with within the rural wards 1;6;31;18;15;& 14 which is consistent with the wards that have been catergorised through the PIMD(**KwaZulu-Natal Provincial Index of Multiple Deprivation**) -and the Flagship Program in the Office of the Premier - as being deprived wards. The Phase 1 of the Flagship program will be targeting ward 12, 15 & 16.

B3. Socio-economic Realities

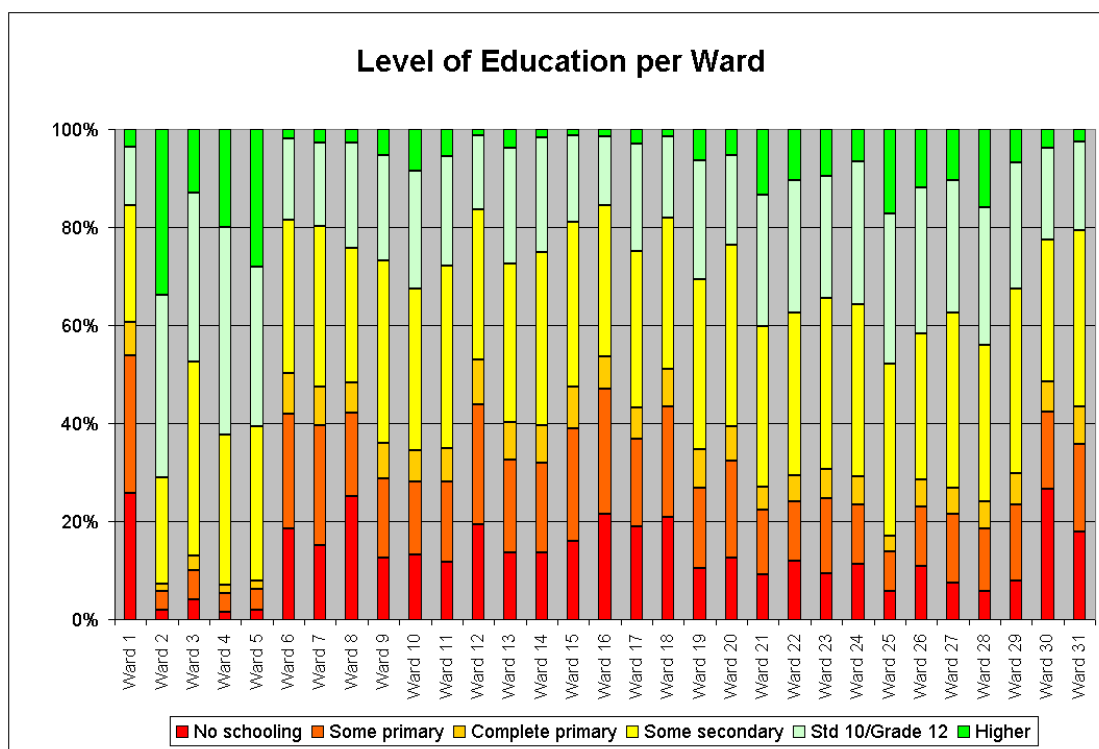
Education levels

44% of Newcastle population is functionally illiterate, with 7% indicating that they have had no education at all. This has a significant impact on employability, the type of job opportunities that can be sought and the vocational distribution of the economically active population.

In order to understand the economic make-up of the community, the analysis of statistics relating to levels of education, employment/unemployment and income levels re-affirms the need for skills development, Adult Basic Education and Training, as well as Further Education and Training, poverty alleviation programmes and local economic development interventions.

- Relatively good education facilities at all levels exist.
- Highest education levels recorded within Newcastle West (Wards 2,4 & 5) with Wards 20, 25 and 28 also showing higher education levels.
- Lowest education levels reported within Wards 16, 12, 6 and 30.

Figure 12: Social Profile: Education Source: WSDP Review 2006



B4. Spatial Realities

Spatial Restructuring/Integration

In accordance with Chapter 5 of the Municipal Systems Act, 2000 every Local Municipality is required to engage in a process of Integrated Development Planning (IDP). One of the requirements of the said Act (Section 26(3)) is that an IDP should contain a Spatial Development Framework (SDF). The Newcastle Municipality is currently engaged in the formulation of such a detailed Spatial Development Framework for its area of jurisdiction.

The Spatial Development Framework is a **process** through which municipalities prepare a strategic spatial development plan for a five year period in order to assist in the execution the Integrated Development Plan (IDP). The SDF plan will act as principal spatial planning instrument which guides and informs all planning, land management, development and spatial decision-making in a municipality. It is important to note that the Newcastle SDF is a component of the Newcastle Integrated Development Plan (IDP) and aims to create a spatial interpretation of the strategies and projects already contained within the IDP. It should not be seen a separate planning process, but only aims to assist in the prioritisation of resources towards implementing the IDP.

Relevant Legislation

Newcastle Municipality, as every other municipality in South Africa, falls within a specific tier of government. Consequently, it is subject to higher government structures (National and Provincial Government) and the legislation they draft. National and Provincial legislation pertaining to spatial development, which affects Newcastle, is the following:

- a. Development Facilitation Act (1995)
- b. Local Government: Municipal Systems (2000)
- c. Local Government: Municipal Structures (1998)
- d. Housing Act (1997)
- e. Environment Conservation Act (1989)
- f. National Environmental Management Act (1998)
- g. Public Finance Management Act (1999)
- h. Town Planning and Townships Ordinance (27 OF 1949)
- i. Less Formal Township Establishment (1991)

District SDF'S

The Amajuba SDF affects the Newcastle Municipality and the compilation of the Amajuba SDF was informed by the first Municipal wide SDF compiled for Newcastle in 2008. The detailed SDF being compiled will reinforce the district wide SDF as far as locally relevant physically possible. However, as the actual implementing agent of spatial restructuring, the local SDF will again inform the district SDF in the case of any differences.

In terms of the classification of activity corridors, the N11 corridor is identified as an exiting corridor which runs straight through the Newcastle Municipality. However the PSEDS identified a secondary corridor (SC12) which runs between the centres of Greytown, Msinga and Madadeni. The latter is situated within the Newcastle Municipality. The PSEDS identifies that this corridor has potential in the following areas:

- *Production of labour intensive, mass produced goods which are more dependent on labour costs and affordable transport linkages;*
- *Retail and private sector services which are large employers of skilled and semi-skilled workers in advanced economies.*
- *Tourism which is dependent on tourism attractions; and*
- *Public service and administration.*

Of relevance is that the N11 separates the old town of Newcastle West from the Former R293 townships of Madadeni and Osizweni (Newcastle East). This is inherited from the apartheid era and thus the spatial challenge of integrating the East and West in an equitable manner to ensure social economic balance and sustainability of human settlements.

It should be noted that the East comprises almost 78% of the entire Newcastle population and has been categorised as mainly urban settlements. This area (MBO) has also been identified as an Urban Renewal Node in the Province, with the second 1st order primary node being located within this development corridor.

Furthermore and as is illustrated on map, the MR483 forms an important secondary mobility corridor for the Municipality to be used to stimulate economic growth.

B5. Environmental Realities

The overall environmental assessment of the municipal area has not been conducted yet and it is anticipated that this will be dealt with during the development of the District wide Environmental Management Plan to be finalised by May 2010.

As a interim measure the overall municipal wide GIS based assessment of environmental conditions used in the analysis of the LUMS have been used to create a basic understanding of some of the environmental realities within the municipal area. The maps as part of the SDF illustrates the areas of environmental importance and / or concern. A series of additional and more detailed environmental assessments are included as part of the LUMS which is available on request.

In general the areas towards the west of the municipality and the mountainous areas are more sensitive with various formally protected areas. The high value agricultural land are also found towards the west and south of the municipality and the various water runoff areas are the most important environmental areas of consideration during most of the developmental efforts within the municipality.

It is anticipated that a full State of the Environment Assessment will be conducted within the short term in order to gain a detailed insight into the environmental realities and incorporate it into future IDP Reviews.

The following environmental issues(amongst others) have been identified to be addressed are :

- ✓ Air Pollution from local industries
- ✓ Water resource contamination
- ✓ Mining and illegal mining activities
- ✓ Closure and rehabilitation of the Landfill site
- ✓ Phorrid flies in cemeteries
- ✓ High water table and its impact on VIP's and cemeteries
- ✓ Impact of Natural disasters (Flooding in particular)
- ✓ Overgrazing
- ✓ Transfer of the environmental health function to the District
- ✓ Greening for sustainable human settlements

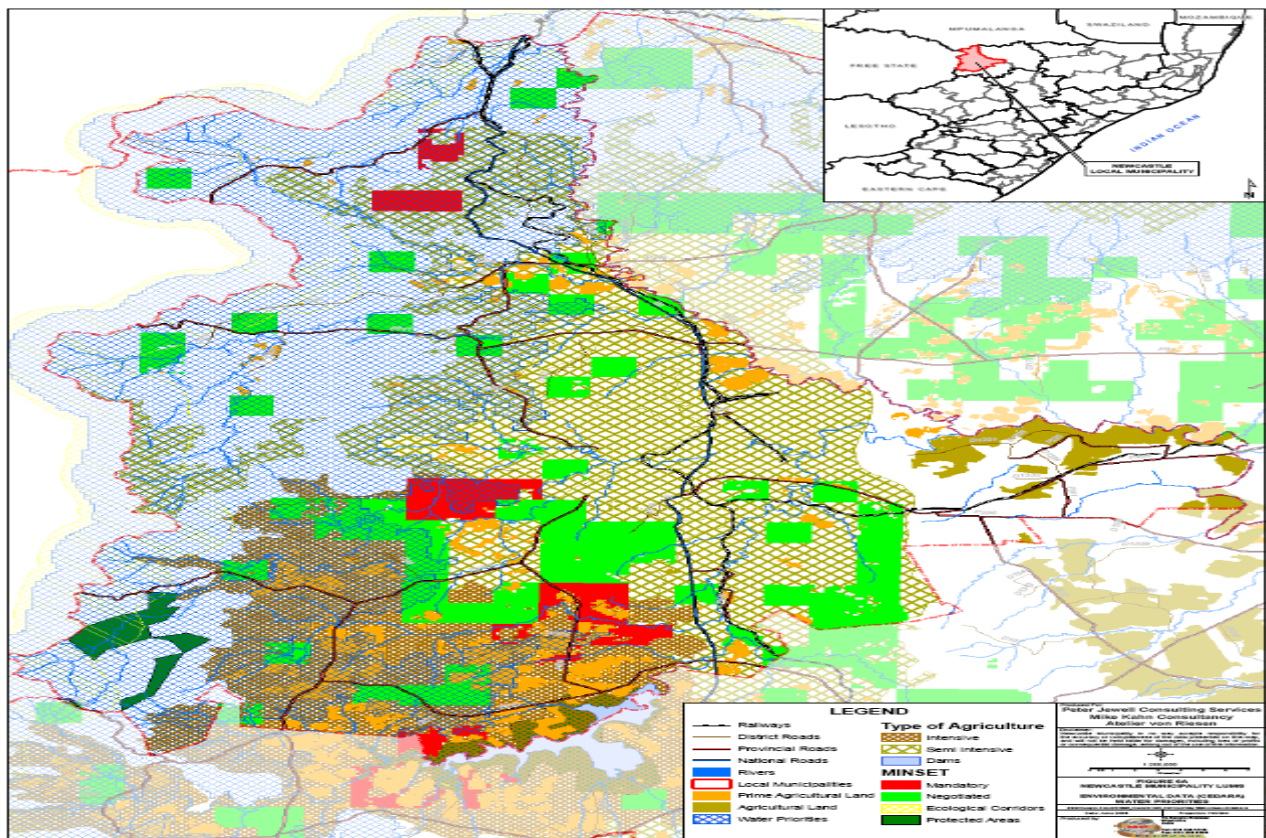


Table 22 SDF Environmental issues

B6. Economic Realities

Income levels

Statistics indicates that approximately 56% of the households in Newcastle earn less than R800 per month. It is therefore clear that the annual individual income in Newcastle is very low. Low income levels are indicative of low affordability levels for basic services, housing and health services.

These low levels of income are re-affirmed by the high unemployment rate estimated to be in the region of 54%. This is re-affirmed by the increasing number of Indigent applications being received by the Municipality. As at February 2010, a total of 22 000 households were registered for indigent support.

The implications of little disposable income, coupled with low skill levels, include high dependency rates and the need for social and economic support for the very poor.

The low levels of income of more than half of the Newcastle population therefore calls for strategic economic development and poverty alleviation interventions.

These are addressed further under Socio-Economic issues and in the LED Plan.

The current situation also paints a bleak picture in terms of the ability of the Newcastle community to meet their basic needs and improve their quality to life. Studies of low-income households have shown that only 20% to 40% of total income is derived from salaries and wages. A large portion of a low-income family's revenue comes from remittances and social grants, and there is therefore a need to supplement household income through poverty alleviation programmes and Local Economic Development Strategies.

Most of the poverty-stricken households of Newcastle are located in the East as well as the Traditional Authority areas. The urbanized population is generally better off than the rural community where communities will more than likely not be able to afford housing and other services. The provision of sustainable basic and essential services to these communities is to be one of the greatest challenges of the Newcastle Municipality and innovative service delivery options is encouraged.

- 27.85% of households reported no income and are viewed as dependents to other earners.
- Relative high percentage of Households (19% earn less that R800 per month.
- There is a small, but noticeable portion of households earning in the upper income bracket.

Figure 13: Economic Profile: Income Levels

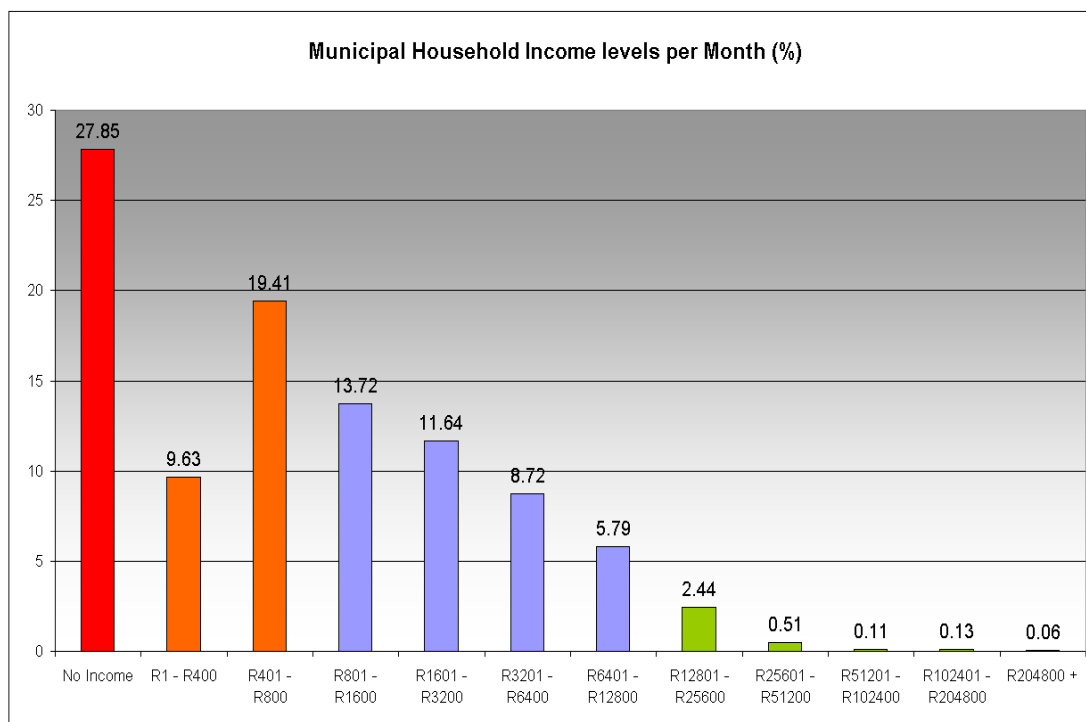
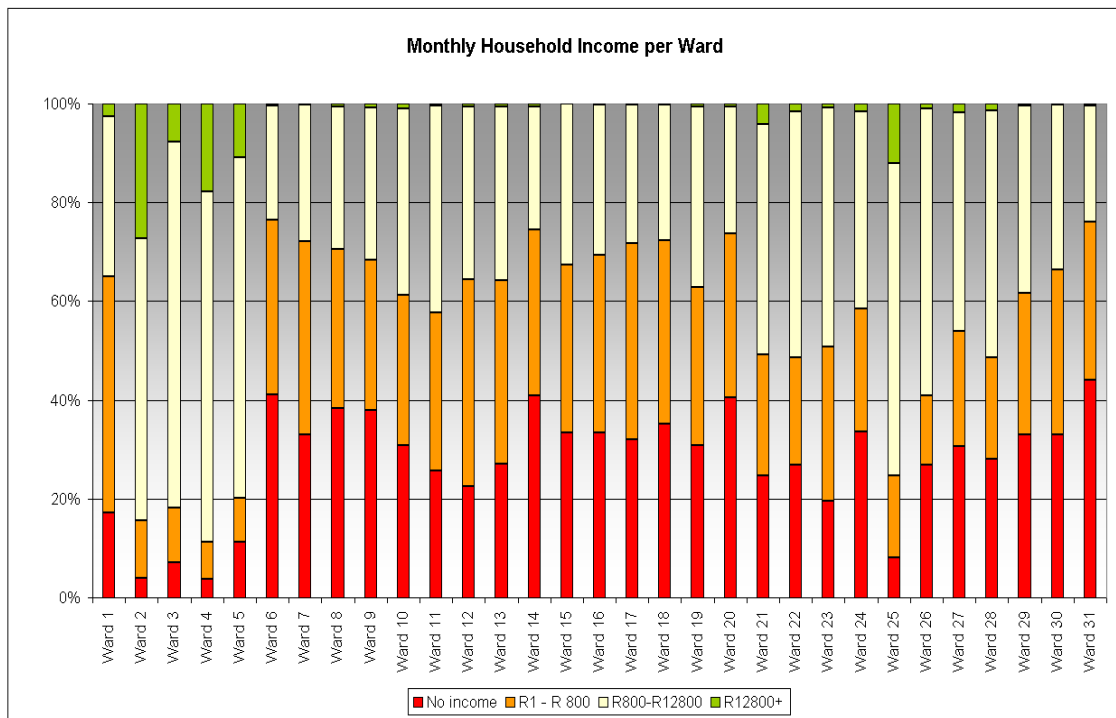
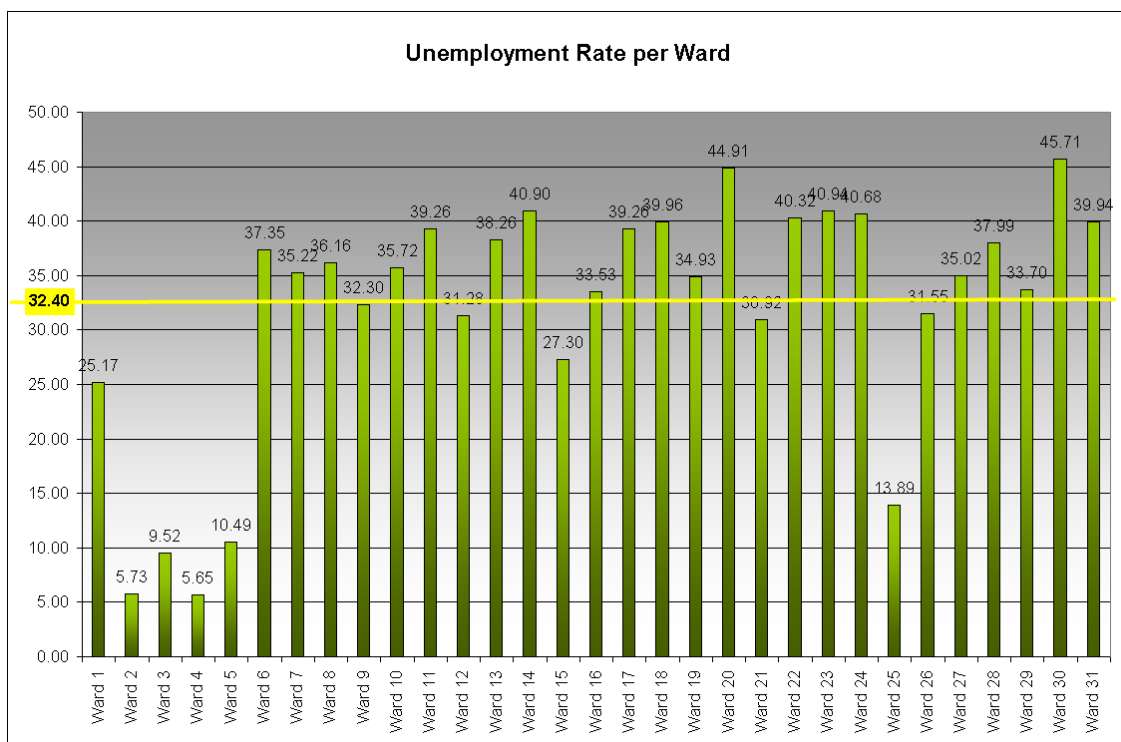


Figure 14: Economic Profile: Income Levels per Ward



- The poorest Wards based on monthly household income is Ward 6, 14, 20 and 31, although a number of wards has poor income levels.
- Ward 6 has noticeably the lowest income rate of all wards and this corresponds to other developmental problems.
- The higher income levels in Ward 25 correspond to similar higher employment levels in the ward.
- Although the rural households (Ward 1) show low income levels, less households reported no income.

Figure 15: Economic Profile: Unemployment



- Average Municipal unemployment rate estimated at 31.40 %.
- Some wards (2, 3, 4, 5 and 25) show relatively low unemployment rates below 15%
- 65% of the wards have an unemployment rate above the average and particularly Wards 20 and 30 have notably high unemployment rates.

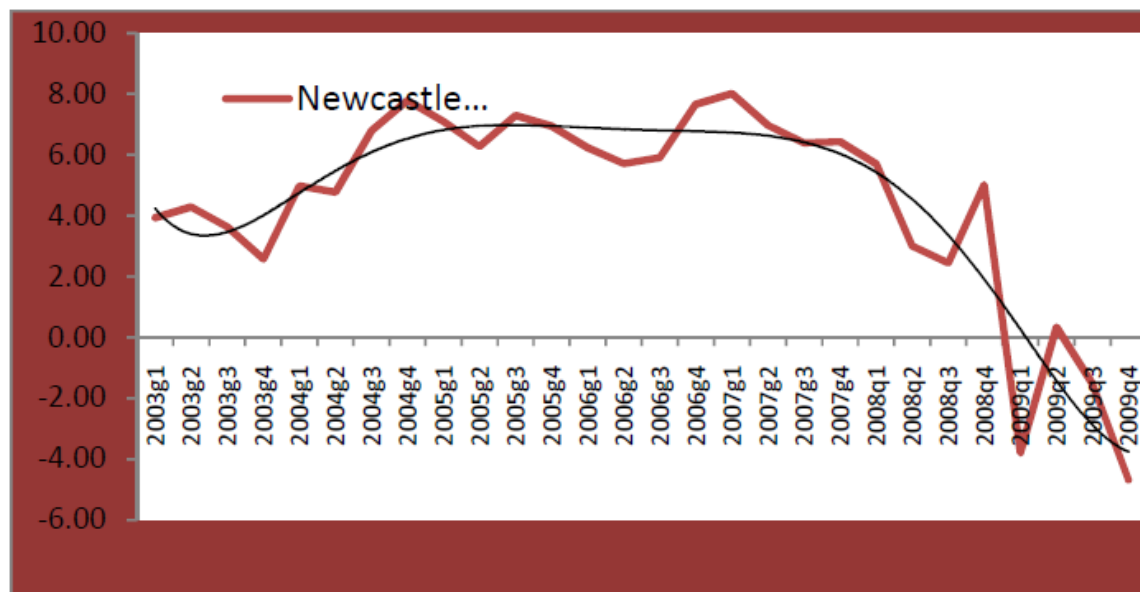
From the Amajuba District Growth and Development Summit, the main economic focus areas were identified and informed the Local Economic Development Plan. The outcomes and proposed interventions from the Amajuba GDS is also being implemented through the Amajuba Forum for LED (AFLED) – refer to Amajuba IDP.

The following diagram indicates the GDP performance of Newcastle from Quarter 1 in 2003 to Quarter 2 in 2009. This diagram illustrates the impacts of the 'Global Economic Crisis' and shows how GDP reached its lowest point in the first quarter of 2009. Although there was a mild recovery in the second quarter of 2009, this has been replaced by a decline for the third and fourth quarters of 2009.

The district as a whole however is facing decline in GGP in all sectors. The economy of the district has experienced a change from a dominant manufacturing base to a services base.

There has been some growth in the trade, construction and community services sectors. The economy of Newcastle is however dominated by clothing and textiles, chemicals and metals. Although the district as a whole has a number of challenges due to the declining economy a lot of initiatives are underway to revive the economy.

Figure 16 Newcastle GDP 2003-2009



Interestingly this steady decline in GDP is consistent with the secondary economic nodes of PMB and Port Shepstone in the Province, whilst the opposite has occurred with the Port cities of Durban and Richards Bay. This needs to be further interrogated to determine if strategies through the PSEDs are in fact benefitting the non port nodes in the Province.

This perhaps also raises the question of representativity of local government on National fora such as NEDLAC to ensure that LED interventions through NSDP and ASGISA are equitably rolled out to all economic development nodes as this is imperative to fulfilling the mandate contained in the MTSF etc.

It is also noted with concern that Newcastle has not benefitted through the Provincial Economic Development allocations in spite of being declared a secondary development zone in the Province. Economic development initiatives are those primarily being pursued through district initiatives via AFLED. Whilst Newcastle Municipality is represented on TIKZN, only marketing initiatives for encouraging investment from China has been supported.

However, of recent Newcastle has seen a “boom” in the retail and service sectors and this needs to be further interrogated to determine the perceived imbalances in the economy.

B7. Infrastructure Development Realities

MUNICIPAL PROFILE

The table below provides a comparative summary of the basic service delivery needs by ward. The statistics used are projected backlogs as per Cogta CIP information and projected population growth rates of 3,5% per annum since 2001 Census and other available information.

The Community Survey 2007 results have not been used for basic service delivery backlogs due to discrepancies and anomalies identified which is highlighted further in the Report. Engagements with StatSa have commenced to obtain consensus in the methodology used for the purpose of projections against the statistics.

The table below illustrates the percentage of households within each ward with access to the basic services. *These projections are subject to the endorsement of Ward Committee structures and Stats SA*

Table 23 Municipal Profile by Ward

WARD NO.	Urban/Rural	No. Of Households 2010	Population Projections by ward	Water (backlogs 2010)	Sanitation Backlogs 2010	Housing Backlogs 2010	Electricity Backlogs 2010	Roads unpaved	Length unpaved	Road Condition
1	Rural	4 585	32 097	51%	57%	74%	73%	98%	61.0	Fair
2	Urban	3 614	18 072	2%	1%	8%	0%	20%	9.2	Fair
3	Urban	2 827	14 133	2%	3%	5%	0%	15%	5.4	Poor
4	Urban	3 054	15 271	3%	1%	7%	0%	3%	1.2	Poor
5	Urban	3 188	15 939	2%	1%	10%	0%	0%	-	Fair
6	Rural	4 090	28 630	65%	86%	33%	59%	100%	51.9	Poor
7	Urban	3 876	19 380	53%	61%	28%	24%	87%	42.8	Poor
8	Urban	2 313	11 564	2%	3%	16%	0%	66%	19.4	Poor
9	Urban	3 797	18 985	24%	36%	34%	14%	79%	38.0	Poor
10	Urban	3 345	16 723	1%	2%	22%	0%	57%	24.2	Poor
11	Urban	3 237	16 184	13%	3%	23%	1%	59%	24.2	Poor

WARD NO.	Urban/Rural	No. Of Households 2010	Population Projections by ward	Water (backlogs 2010)	Sanitation Backlogs 2010	Housing Backlogs 2010	Electricity Backlogs 2010	Roads unpaved	Length unpaved	Road Condition
12	Rural	2 603	18 222	98%	92%	34%	8%	100%	33.0	Poor
13	Urban	2 373	11 864	5%	11%	4%	0%	79%	23.8	Poor
14	Urban	4 308	21 541	33%	14%	24%	2%	60%	32.8	Poor
15	Rural	3 083	21 580	80%	86%	9%	6%	82%	32.1	Poor
16	Rural	2 936	20 550	89%	76%	15%	11%	72%	26.8	Poor
17	Urban	2 925	14 624	2%	1%	7%	1%	60%	22.3	Poor
18	Rural	3 864	27 047	48%	59%	13%	9%	74%	36.3	Poor
19	Urban	2 692	13 459	14%	1%	26%	0%	38%	13.0	Poor
20	Urban	2 983	14 917	21%	30%	43%	41%	77%	29.1	Poor
21	Urban	2 941	14 706	13%	13%	31%	12%	42%	15.7	Poor
22	Urban	2 513	12 566	2%	1%	6%	15%	15%	4.8	Poor
23	Urban	2 655	13 275	1%	1%	18%	0%	62%	20.9	Poor
24	Urban	2 932	14 658	34%	17%	23%	15%	67%	24.9	Poor
25	Urban	3 084	15 421	8%	14%	20%	11%	1%	0.4	Poor
26	Urban	2 594	12 968	1%	2%	18%	1%	48%	15.8	Poor
27	Urban	2 900	14 501	5%	1%	17%	0%	74%	27.2	Poor
28	Urban	2 671	13 356	2%	0%	22%	0%	58%	19.6	Poor
29	Urban	3 185	15 925	22%	1%	31%	0%	53%	21.4	Poor
30	Urban	2 696	13 479	2%	1%	9%	0%	65%	22.2	Poor
31	Rural	3 941	27 590	41%	46%	44%	41%	66%	33.0	Poor

From the above table the basic service backlog profile for Newcastle have been tabulated below :

BASIC SERVICE	BACKLOG 2010
Water	26%
Sanitation	27,3%
Housing	23%

Electricity	11,3%
Roads	58,83% (unpaved in poor condition)
Refuse removal	25,6% (IWMP)

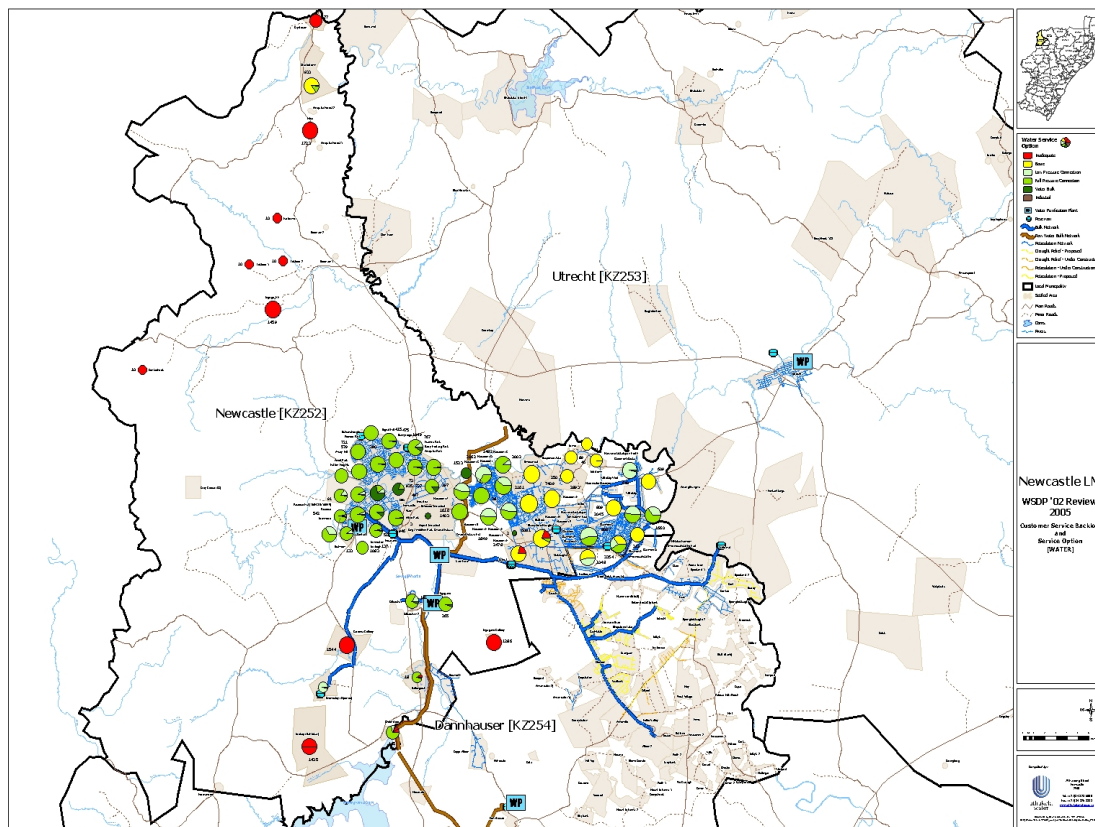
Note : The stats used do not compare with the District municipality which has opted to use statistics from Global Insight and the NSDP which is based on Community survey 2007 results

MINIMUM STANDARDS / NATIONAL BASIC SERVICE DELIVERY TARGETS

Basic Service	TARGET
Water	All households to have access to at least clean piped water 200m from household
Sanitation	All households to have access to at least ventilated pit latrine on site.
Electricity	All households to be connected to national grid.
Refuse Removal	All households to have access to at least once-a-week refuse removal services
Housing	All existing informal settlements to be formalized with land-use plans for economic and social facilities and with provision of permanent basic services.
Unemployment and Poverty	Halve unemployment and poverty through the procurement of services and by using labour-intensive methods to maintain and build infrastructure and municipalities to broaden participation in the local economy and create work opportunities for the poor
Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls, etc	Standards for access for all other social, government and economic services must be clearly defined, planned, and where possible implemented by each sector working together with municipalities in the development and implementation of IDPs.

WATER AND SANITATION

Figure 17: Spatial indication of levels of service (Water) Source: WSDP Review



Some of the burning issues identified in the WSDP Review (2006) are as follows:

- Services on Farmland: Provision for providing services on farmland will not be included in this review, since Newcastle will still be assessing the extent of services which are available to farm labourers
- Housing / Development Projects: The status of some proposed housing / development projects are still uncertain, specifically with regards to the level of service and proposed development
- Customer base in outlying areas: Insufficient information is available for determining the extent of the customer base and service levels for some of the outlying areas. Previous WSDP figures have been taken as correct in lieu of updated information

In line with the WSDP and the level of services recommended in the Spatial Development Framework, the Newcastle Municipality is in the process of prioritising water infrastructure over the following time-line/phased out to address existing developments, planned

developments, eradication of backlogs and the rehabilitation of infrastructure:-

- Short- term (0-3years);
- Medium-term (4-6 years) ; and
- Long-term (7-10 years)

It must be emphasized that the provision of infrastructure is dependent on external funding (Municipal Infrastructure Grant) and other grant funds, and the prioritisation of projects will be guided by committed and available funds.

The Newcastle Municipality is the Water Services Authority for its area of jurisdiction and since July 2004 has been using the services of an appointed Water Services Provider- Uthukela Water (Pty) Ltd. The Water Services Provider is a municipal entity established in conjunction with three neighbouring Water Services Authorities (viz. Uthukela, Amajuba and Umzinyathi District Municipalities). The Newcastle Municipality is the biggest shareholder of Company. During the 2004/2005 financial year, the withdrawal of the Uthukela District Municipality has had an impact on the existing financial viability of the entity, and the ability of the Entity to acquire funding for water and sanitation projects.

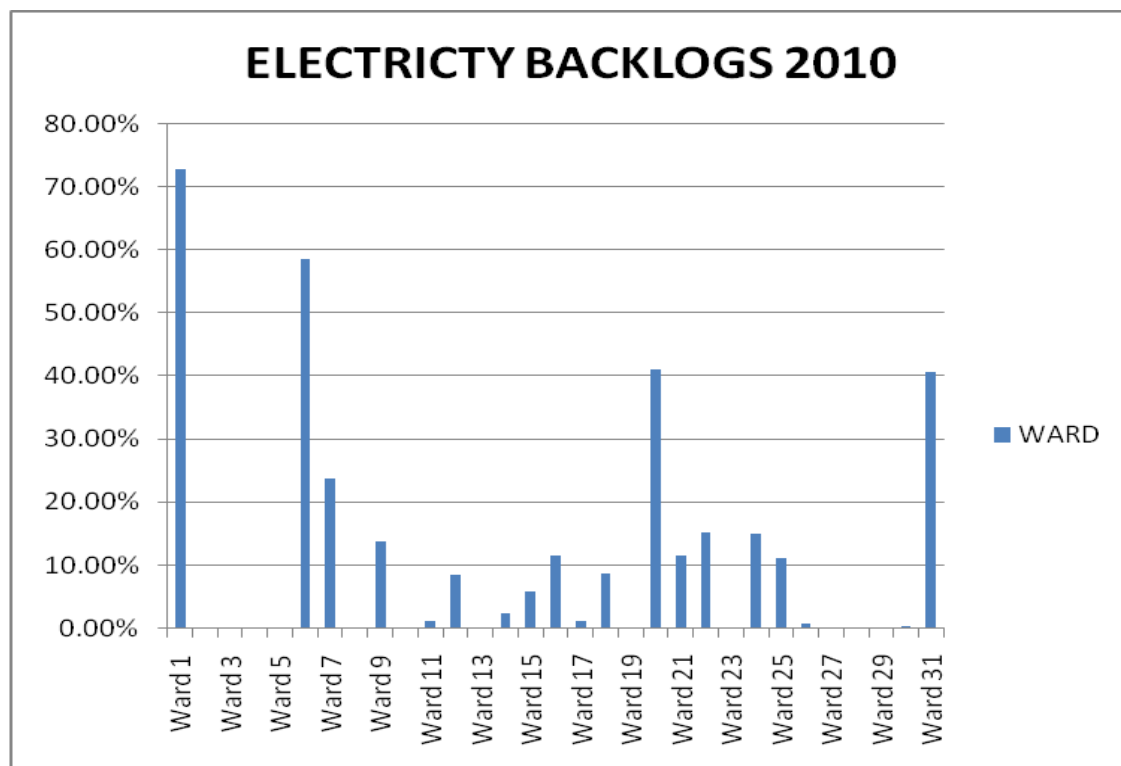
The Newcastle Municipality as Water Services Authority is also in the process of developing a monitoring mechanism to ensure that the objectives of the Water Services Provider Agreement are met. A draft score-card/SDBIP of the WSP is to be finalized and included in the PMS for the monitoring of the WSP.

Due to the intervention of the MEC in the affairs of the WSP, the review of a Section 78 assessment was stalled – however the WSDP review is in progress and is anticipated to be finalised by end of July 2010.

ELECTRICITY

- An electricity backlog of 11,3 % is projected in 2010. With the split in the license areas between the municipality and ESKOM (and DME), a partnership have been entered into to address backlog projects holistically to meet National Targets. This will also be rolled out simultaneously with housing projects.
- A further concern is the impact that the transfer to RED's will have on financial viability of the Newcastle Municipality.

Figure 18: Services Profile: Electricity



- The need to investigate pre-paid electricity in Newcastle licence area has also been identified.
- Electricity metering and billing is also a priority for the Municipality to ensure the accuracy of consumer accounts. This is re-affirmed in the Revenue Enhancement Strategies of Council
- The roll out of Free Basic Electricity within the ESKOM licence area is a challenge due to IT compatibility with both electricity providers. Engagements with ESKOM in this regards is ongoing
- Maintenance, upgrade and rehabilitation of electricity infrastructure have been identified to be addressed through the ring-fencing of the function for the transfer to RED's.
- All electrification projects provide the school in the project with a point of supply. Eskom include the schools already provided with point of supply into their schools electrification program. As a result of this all schools in already electrified areas have electricity.

- All schools in areas to be electrified in future will be provided with a point of supply and the information about the schools will be forwarded to the Eskom schools electrification program.

A number of the connections in the projects have been adjusted to allow for additional connections that will be created by housing development in the area before electrification will take place. A number of housing development projects have also been included where the project is done by the local municipality but are situated in the ESKOM area of supply.

Table 24 Electricity priority projects

Project Name	Project Priority	Number of Connections
<i>Newcastle Local Municipality (KZ252)</i>		
MADADENI K 1400 CON: PRIORITY 1	1	1400
FAIRVIEW	2	308
MADADENI D 193 CON: PRIORITY 2	3	193
OSIZWENI D & E 911 CON: PRIORITY 3	4	911
CHARLESTOWN 300 CON: PRIORITY 4	5	300
TUAM FARM 300 CON: PRIORITY 5	6	300
DRYCUT 406 CON: PRIORITY 6	7	406
JAKKALSPAN 608 CON: PRIORITY 7	8	608
BOSWORTH 310 CON: PRIORITY 8	9	310
DICKS EXTENSION 120 CON: PRIORITY 10	10	120
INGOGO LAND REFORM 1000 CON: PRIORITY 11	11	1000
AMAJUBA FOREST 100 CON: PRIORITY 12	12	100
OSIZWENI WARD D INFILLS 120 CON		120
Total Rural Backlog for Newcastle LM		6076

Table 1: Grid Electrification Project Priority List

Within the Newcastle license area the following Projects are identified :

No Of Stands	Year	Housing Project Description
<i>Newcastle Local Municipality</i>		
300	2007	KWAMATHUKUZA EXT 300 STANDS
490	2007	GREY GOOSE 490 STANDS
991	2008	VILJOEN PARK 991 STANDS
600	2009	FAIRLEIGH 600 STANDS
1000	2009	INGOGO 1000 STANDS
631	2011	BOSWORTH 631 STANDS
1500	2011	CHARLESTOWN EXTENSION 1500 STANDS
1000	2012	DRYCUT 1000 STANDS
582	2012	JBC AREA JOHNSTOWN 582 STANDS (NEW & REFORM EXISTING)
582	2012	JBC AREA BLAAUWBOSCHLAAGTE 582 STANDS (NEW & REFORM EXISTING)
582	2012	JBC AREA CAVAN 582 STANDS (NEW & REFORM EXISTING)
6550	2013	TUAM FARM AND ROOI POORT 6550
600	2013	EQUARAND 600 STANDS
5027	2013	PARADISE EXT 5027 STANDS
1722	2013	AMAJUBA FOREST (HILDA) 1722 STANDS
1544	2014	GARDINIA COLLERY 1544 STANDS

23701	Housing Project Total for Newcastle LM
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It should be noted that electrification of a housing development project can only be done once more than 80% of the houses are constructed and occupied.

The ESDP is subject to Review in the 2010/11 Financial Year

FARM WORKER HOUSES

The 2006 ESKOM Help Data base include all farm worker and farm houses. The farm worker houses where existing Medium Voltage (MV) supply lines exists in the immediate vicinity were classified as grid electrification and where no MV lines exist in the near vicinity they were classified as non – grid electrification.

The farm worker houses have not been included into any of the project prioritisation schedules because individual investigations are required and individual applications by farmers are essential. The information is however important for DME and ESKOM to do planning and load estimations.

The farm worker electrification process is long established and still available to any farmer to provide his workers with electricity.

Summary of the Total Costs for Newcastle Municipality to eliminate the backlog, excluding housing projects:

Table 25 : Backlog costs electricity

Description	Household Count	Estimated Consumers #	Project Cost
FARM WORKER HOUSING – GRID			
Newcastle Local Municipality (KZ252)	378	1876	R 2,570,700.00
TOTALS FOR FARM WORKER HOUSING – GRID	378	1876	R 2,570,700.00
FARM WORKER HOUSING - NON GRID			
Newcastle Local Municipality (KZ252)	57	285	R 256,500.00
TOTALS FOR FARM WORKER HOUSING – NON GRID	57	285	R256,500.00
NOT ELECTRIFIED			
Newcastle Local Municipality (KZ252)	6076	27342	R 21,461,550.00
TOTALS FOR NOT ELECTRIFIED			R21,461,550.00
TOTALS NOT ELECTRIFIED (ALL CATEGORIES)	6511		R24288750.00

The household count was inflated by 10% to arrive at the estimated consumers

ROADS AND STORMWATER

The TOP Priority infrastructure requirements by communities have identified Roads and stormwater. The following statistics have been extracted from the CIP :

Table 26 Roads by Ward

		ROADS			
	Urban/rural	TOTAL Length(km)	Unpaved Roads	Length unpaved	Road Condition
Ward 28	Urban	52	100%	51.9	Poor
Ward 24	Urban	33	100%	33.0	Poor
Ward 8	Urban	62	98%	61.0	Fair
Ward 19	Urban	49	87%	42.8	Poor
Ward 4	Urban	39	82%	32.1	Poor
Ward 3	Urban	48	79%	38.0	Poor
Ward 21	Urban	30	79%	23.8	Poor
Ward 10	Urban	38	77%	29.1	Poor
Ward 5	Urban	49	74%	36.3	Poor
Ward 15	Rural	37	74%	27.2	Poor
Ward 25	Urban	37	72%	26.8	Poor
Ward 7	Urban	37	67%	24.9	Poor
Ward 30	Urban	29	66%	19.4	Poor
Ward 1	Rural	50	66%	33.0	Poor
Ward 6	Rural	34	65%	22.2	Poor
Ward 9	Urban	34	62%	20.9	Poor
Ward 20	Urban	55	60%	32.8	Poor
Ward 29	Urban	37	60%	22.3	Poor
Ward 17	Urban	41	59%	24.2	Poor
Ward 18	Rural	34	58%		Poor

				19.6	
Ward 27	Urban	42	57%	24.2	Poor
Ward 31	Rural	40	53%	21.4	Poor
Ward 14	Urban	33	48%	15.8	Poor
Ward 2	Urban	37	42%	15.7	Poor
Ward 11	Urban	34	38%	13.0	Poor
Ward 13	Urban	46	20%	9.2	Fair
Ward 22	Urban	36	15%	5.4	Poor
Ward 12	Rural	32	15%	4.8	Poor
Ward 26	Urban	39	3%	1.2	Poor
Ward 16	Rural	39	1%	0.4	Poor
Ward 23	Urban	40	0%	-	Fair

The CIP have identified 91% of all roads in Newcastle being in a poor state, of which 732km are upaved. The roads programs have been intensified over the past 5 years to address primary, secondary roads, whilst the operational budget has significantly increased in this time to ensure minor maintenance through grading and stormwater clearance.

It is evident that a partnership is necessary to address this backlog.

WASTE REMOVAL and WASTE MANAGEMENT

The refuse removal service caters for Newcastle West and Madadeni / Osizweni. Backlogs have been projected at 25,6 %. Through the IWMP – (Draft) – (Compiled at a District Level and available on request), makes recommendations to address and sustain this service is made.

A phasing-in approach is being proposed by the Newcastle Municipality with Poverty alleviation and Alternative technology that is environmentally friendly are options being investigated.

With the lifespan of the existing site being limited to just under a year, the municipality is fast tracking processes to identify and establish a new site, whilst simultaneously addressing the closure and rehabilitation of the existing site. An amount of R15m has been

budgeted for this purpose in the 2010/11 financial year, with a further R60m required in the next two financial years to ensure sustainability of the project. Funding for this purpose is being sourced.

There is also need to clarify roles and responsibilities between the district and the Newcastle Municipality with regards to landfill sites.

HOUSING

Housing development has increased substantially since 1996 due to the National Government Subsidy Policy. Newcastle Municipality has benefited from the programme although supply can not meet the rapid increase in demand especially in a secondary city such as Newcastle. A recent call for the re-development of the housing waiting list has resulted in approximately 32000 applications being received. These are in the process of being captured onto a data base to determine specific requirements.

The Housing Sector Plan was approved by Council in February 2010 and is available on request.

The issue of housing in an urban core is a complex one especially in a secondary city such as Newcastle. The city is growing at a fast rate with a lot of in migration from the surrounding rural hinterlands by people in search of employment while others are being chased away by rural poverty. The urban core is growing and hence can not cope with the demands of a fast growing city. The housing waiting list stands at 16000 and has been like this for the past three years. The influx of people into the city has resulted in the creation of various informal settlements or back-yard shacks.

The supply of housing cannot meet demand and as more people get houses, more people come into the city. Formal housing provision has grown considerable by more than 20% since 1996. Informal settlements growth has remained stagnant.

As people are provided with housing more people invade land with the hope of getting subsidised housing. Disused classroom blocks on a former training centre in Madadeni have been illegally converted into homes for the homeless and some of the classrooms are occupied by the working class who has hope of getting a site in the neighbouring upcoming housing project.

The housing problem has been compounded by the National Housing Strategy which seems to focus more on slums clearance programmes with little scope for green-field development.

The municipality has not put in place a housing strategy to guide it in the provision of housing. Too much focus has been put in slums clearance at the expense of people on the waiting list. This has led to the enormous growth of informal settlements. Some prospective home owners book sites on the informal settlements to ensure they are catered for in the particular slums clearance project. The municipality has of late put a number of controls in place to discourage the growth of these settlements by putting security and working together with the community to control the growth of the settlements. Controls such as policing and controlled access points to the squatter camps have been put in place and seem to be very effective.

One of the more urgent priorities is the relocation of informal settlers from the Fairleigh – Siyahlalala settlement. However the development of approximately 1500 units is pending the upgrading of bulk water and sanitation infrastructure in Newcastle West in line with the WSDP. The Project has accordingly been given top priority on the MIG List.

Table 27: Services Profile: Housing

HOUSING TYPE	PERCENTAGE GROWTH	TOTAL FOR 2007
INADEQUATE HOUSING		
Informal Dwellings	5.3% (average)	12313
Traditional Dwellings	9.5%	7966
ADEQUATE HOUSING		
Dwellings on Separate Stands	3.8%	57151
Flats	17.9%	18275

■ Demand Analysis

- Backlog Estimated at between 19000 and 30000
- Housing Waiting list of 32 000
- Only 9000 units built over the past 10 years

The following schedule reflects current projects :

Table 28: Current Housing Projects

• Current Project	• Number of Units
• Osizweni F Phase 2	• 260
• KwaMathukuza Slum Clearance	• 1394
• Madadeni/Osizweni Housing Upgrade	• 4000
• Osizweni Section e Phase 3	• 670
• Osizweni F Phase 2	• 130

The following schedule reflects Future projects and are subject to the upgrading of bulk infrastructure :

Table 29: Future Housing Projects

• Future Project	• Number of Units	• Progress on projects
• Dry Cut/Nine Miles	• 1000	• Land Dispute between Amahlubi and Ingonyama Trust Board in progress
• Emawozeni Housing Project	• 170	• To re-appoint an Implementing agent
• Fairleigh/Siyahlalala	• 1500	• Finalising PLS application for funding
• H39 Madadeni Housing Project	• 1000	• Negotiations in progress with Ingonyama Trust for additional land
• Khathide Rural Housing Phase 2	• 1500	• Applications to be submitted to KZN Housing by August 2010
• Osizweni Section E Phase 2	• 1240	• Application submitted to KZN Housing for approval of Funds
• Roypoint Informal settlement	• 1000	• Finalising negotiations with land owners for purchase of Ptn 3 of Roy Point Farm
• Charlestown Extension	• 1500	• Awaiting approval from KZN Housing
• KwaMathukuza Extension	• 128	• 42 houses to be built.
• Tuam Farm	• 6550	• Land Claims in progress
• Equarand	• 600	• Negotiations in progress for land acquisition
• Paradise Extension	• 5027	• Sourcing

		additional funds for infrastructure
• Viljoen Park	• 991	• Held in abeyance – pending re-alignment of N11
• Grey Goose	• 490	• Pending reprioritization of MIG funding for infrastructure
• Ingogo Rural Village	• 1000	• Identification of housing needs by community in progress, appointed of IA by October 2010
• JBC Housing Project	• 1747	• Land acquisition in progress
• Total in comparison to backlogs	• 25643	•

Rental Stock refer to EEDBS and processes

The municipality owns and lets out a considerable amount of rental stock. However the management of the stock is done internally while rentals are not pegged at market rates. However, the Municipality is in the process of finalizing the transfer of rental stock to beneficiaries in line with the Expanded Extended Discount Benefit Scheme.

In an attempt to better co-ordinate and implement housing projects, with the assistance of the Department of Housing, the Newcastle Municipality has re-constituted its Housing Forum which meets bi-monthly.

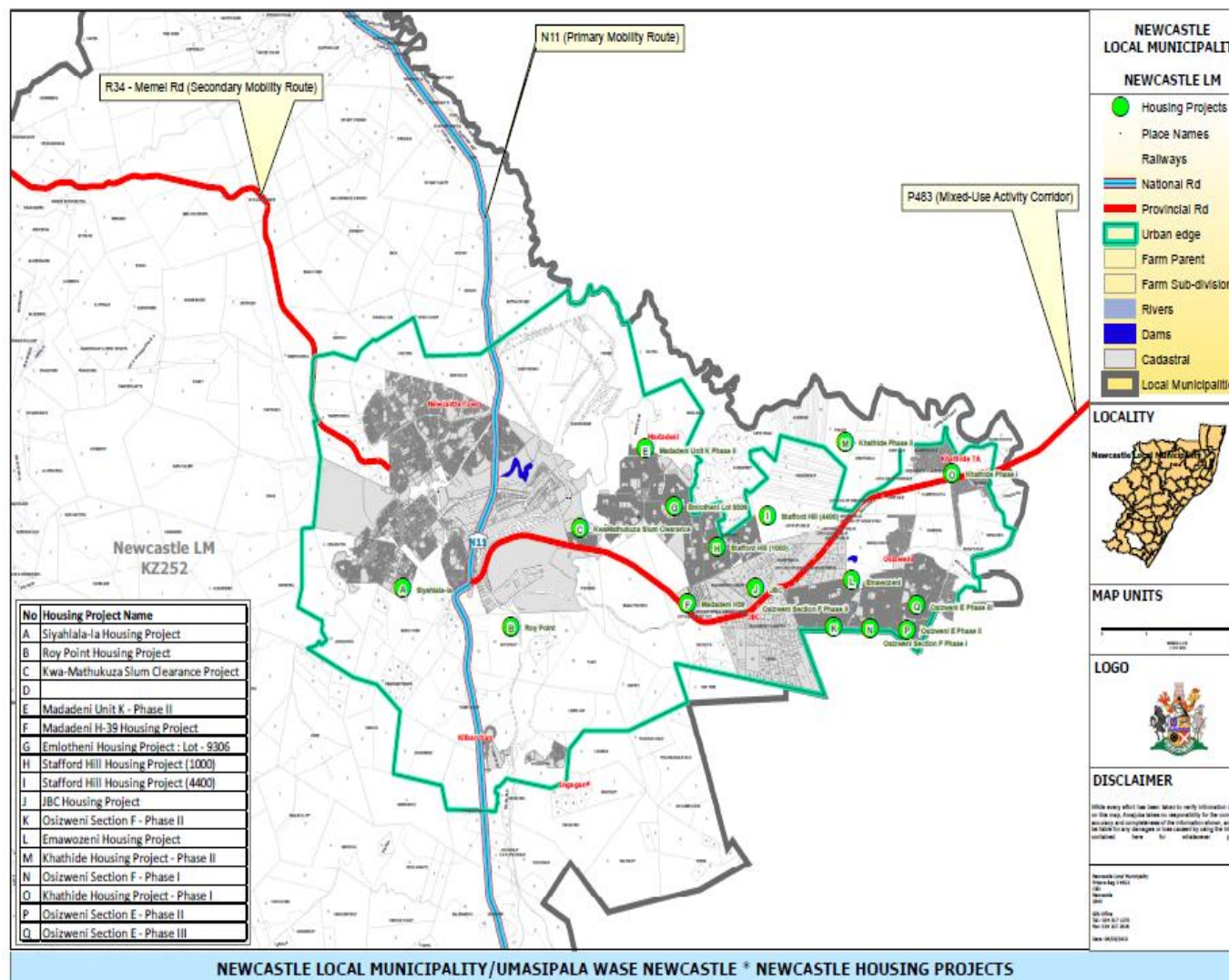
As a way forward the municipality has proceeded to develop a Housing Sector Plan/Strategy, the main objectives of which is highlighted below :-

- The compilation of a housing waiting list together with the provision of the necessary hardware and software for the maintenance of the database
- The preparation of related housing policies to cater for housing allocation and management for the various categories of housing including policy to deal with informal settlements.

The re-engineering of the Housing Department to better gear itself to facilitate housing delivery in line with the “Breaking New Ground” concept of National Government is being investigated.

A detailed Map highlighting Housing projects is reflected below :

Table 30 SDF Housing Projects



PUBLIC TRANSPORT

Public Transport has been identified as a TOP Priority Occurance for Newcastle. The statistics in this regards reflect the following :-

- The large percentage (64%) of the population using bicycles or walking is mainly attributed to rural impoverished areas, school children, and a lack of public transport in some areas.
- The Public Road Transport Plan further indicates that 56% of roads utilised for Public Transport is unsurfaced which results in high maintenance costs to vehicles and unsafe travel conditions for passengers.

Figure 19: Services Profile: Mode of Transport

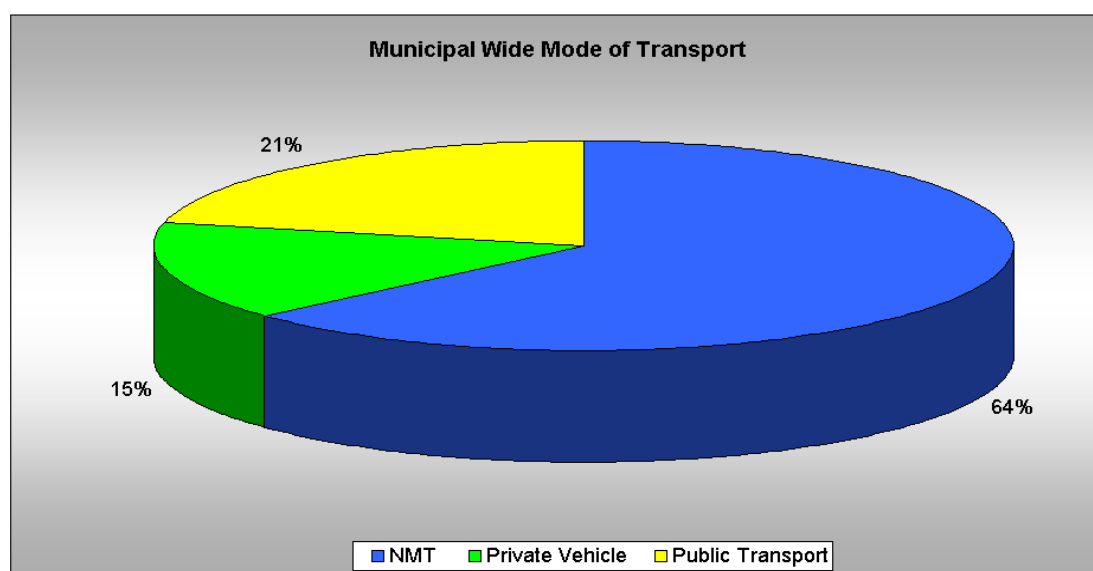


Figure 20: Services Profile: Mode of Transport per Ward

- Newcastle West as well as Ward 25 indicated the highest usage of private modes of transport, correlating with income levels.
- Highest levels of Non Motorised Transport and Public Transport is recorded in impoverished areas of Ward 6, 12, 15, 16, 17, 18 and 30.

The need to improve this service in conjunction with the roads development programme. A partnership with the Amajuba District and relevant sector departments and organised transport need to be fast tracked in this regard.

The Amajuba Public Transport Plan (available on request) need to be reviewed and aligned to Newcastle priorities in this regard.

B8. Social Services Realities

Health

The effects of HIV/AIDS are to be the most significant factors determining health requirements in the country in the future. The predicted effects of HIV/AIDS on social systems within the district are:

- poorer households are more vulnerable and the epidemic is likely to deepen poverty and compromise upward mobility;
- changing demand for housing, education and other community facilities;
- a greater demand for health care facilities; and
- a greater demand for financial support for orphans.

The likely effect of HIV/AIDS on the economic systems is:

- a shift from savings to current expenditure, thus limiting fixed investment and economic growth;
- possibility of "technology deepening" of the economy as a result of higher absenteeism rates;
- withdrawal of healthy workers to care for affected family members;
- further erosion of household savings and skills shortage; and
- increased spending on pharmaceuticals and funerals.

The effects of HIV/AIDS on Planning:

- a slowing population growth and a higher mortality rate in 15-39 year age group;
- a decline in school entrants;
- an increase in health care needs;
- an increased dependency ratio (elderly, orphans);
- a decline in housing needs, with an increased inability to pay due to changes in household income and expenditure patterns.

Newcastle HIV/AIDS Situation based on AMAJUBA District

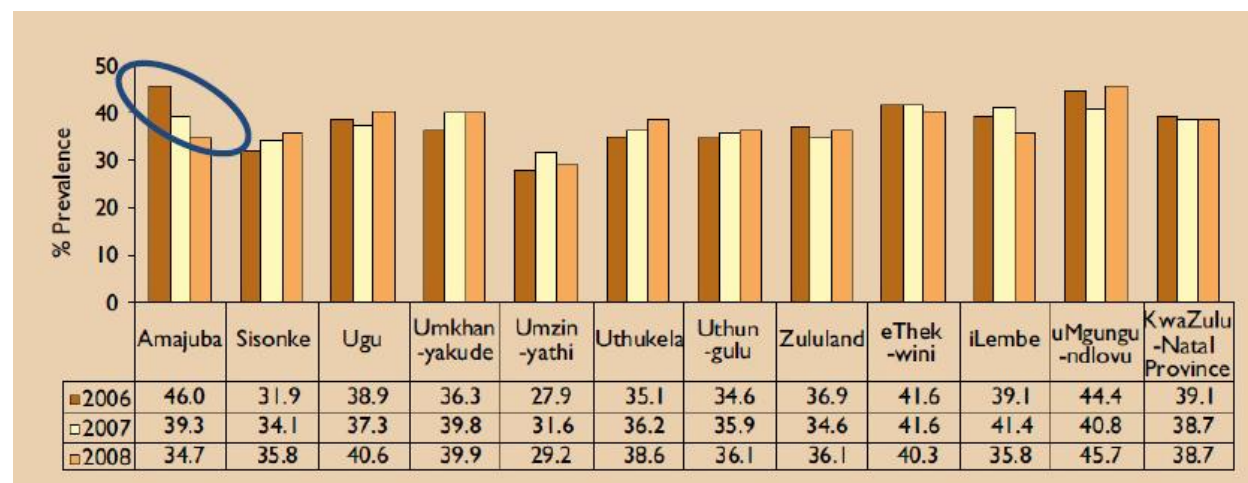
The HIV/AIDS Situation for Newcastle is based on District available information from the Department Of Health.

In 2006, the ADM had the highest HIV/Aids prevalence estimates amongst antenatal clinic attendees in the province as well as nationally at 46%. The figure for the ADM, however, decreased to 39.3% in 2007 for antenatal clinic attendees.

In 2008 this figure further fell to 34.7% (most recent stats available) which is very encouraging for the ADM and makes the district have the second lowest HIV/ Aids rate in the province.

Summarised below in an indication of the reduction in HIV/AIDS prevalence rates at a Provincial level since 2006.

Table 31: HIV/AIDS Prevalence rate



(Source: DOH, 2008)

The Department of Health cannot fully account for the decrease in the rate of infection. Possible reasons could be, amongst others, the following :

- (i) Educational and awareness programmes resulting in a positive reduction in infection rates;
- (ii) Greater levels of testing and awareness any individual's HIV/ Aids status; and
- (iii) More effective use of contraception reducing transmission and infections.

ANTI-RETROVIRAL (ARV) ROLL-OUT

The following table summarises the roll-out of ARV's in the Newcastle. As can be seen, the target set for the 2009/10 financial year is 8000 people which is higher in comparison to that of 6300 set for 2008/9.

Sub-Districts & District	2007/08 Actual	2008/09 Target	2008/09 1 st Quarter Actual	2009/10 Target
Newcastle	4320	6300	6668	8000

HIV/AIDS also forms a key intervention area and a specific sub division as part of Special programs of the Municipality which is highlighted below.

A HIV/AIDs Policy and Mainstreaming strategy is in place.

SPECIAL PROGRAMS

The Newcastle Local Municipality Special Programmes Framework gives direction regarding the operational guidelines and highlights the strong motive behind the development of the Special Programmes Department, which is placed in the office of the Municipal Manager.

The Special Programmes Department aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye can not be turned as far as service delivery is concerned. The design and implementation of these programmes provide are more sustainable environment. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

1. INTRODUCTION

In 2009 the National Government formed and introduced the Ministry of Women, Youth, Children and Persons with Disability, led by Ms Noluthando Mayende Sibiyi. It was noted that the new Ministry would be the central co-coordinating point for the advancement and protection of the rights of women, youth and persons with disabilities, and the co-ordination of compliance with South Africa's obligations under international instruments.

The **vision** is to achieve "a fully inclusive society free from unfair discrimination, abuse and exploitation". The core strategic objectives were outlined as follows:

- protection and promotion of human dignity and equality

- Creating an enabling environment for empowerment and advancement
- Advocating an inclusive society
- Preventing and eliminating unfair discrimination against the target groups and oversight and coordination of programmes.

It is critical to note in this juncture that three special groups are omitted i.e. HIV/AIDS, Men and Senior Citizens. However, in the Women, Youth, Children and Persons with Disability Committee on the 11th of August 2009, chaired by Ms B Thompson, it was voiced that there is a need to add elderly persons as one of the target groups, and would appreciate a recommendation from the Portfolio Committee to the Presidency to legally amend the target groups.

In 2006 the Newcastle Local Municipality Executive Committee took a resolution to give birth to the Special Programmes.

2. OPERATIONAL PERSPECTIVE

The central function of the *Special Programmes Manager* is to ensure the integration of HIV/AIDS, youth, gender, senior citizens, disability and child rights issues into all of Government's structures, processes, methods and strategies; as follows:

- **Management, development and implementation** of special programmes (gender, youth, persons with disabilities, children and HIV/Aids).
- **Strategic Planning** ensure that the cross cutting Special Programmes issues are considered in the Newcastle Municipality's strategic development meetings.

- **Policy Formulation and Analysis** assists in identifying gaps in policy development and implementation of HIV/AIDS, youth, gender, disability, senior citizens and child rights policy and thus conducting consultation around impact related legislation.
- **The provision of strategic support** in order to ensure the implementation of fast-track transformation initiatives within Newcastle.
- The **promotion of Newcastle Municipality's image** and effective maintenance of relations with internal and external stakeholders, thus establishing and maintaining effective consultation strategies.
- **Mainstreaming** is a central function of the special programmes with the objective of ensuring that the municipality complies.
- **Co-ordination** of all programmes through regular meetings and focal points at the municipal level i.e. the Newcastle community
- **Monitoring and evaluation** generates municipal, zonal, and wards reports, which provide progress reports made against benchmarks
- **Capacity-building** is aimed at strengthening municipal's systems, processes and structures to ensure delivery sensitive to HIV/AIDS, youth, gender, disability, senior citizens and children's rights
- **Advocacy** in terms of conducting public awareness and education for the promotion of mainstreaming HIV/AIDS, youth, gender, disability, senior citizens and children's rights issues in government programmes; with extensive campaigns associated with national days
- **Liaison and networking** actively in attending district, provincial, national and international conferences.
- **Financial management** to ensure that the special programmes are budgeted.

- **Economic upliftment** ensures that the Newcastle Municipality reflects target groups considerations in the business plans.

2.1 The Special Programmes Unit is responsible to oversee the following sub divisions:

2.1.1 Sub division on the Status of Gender (SSG)

Mandate: To ensure that the Newcastle Local Municipality lives up to its constitutional, political and international commitments by translating these into measurable and meaningful programmes, thereby making a non-sexist society a reality.

Vision: To develop an enabling environment that will guarantee gender equality, thereby empowering women to have equal access to opportunities and resources that will enhance the quality of their lives.

Mission: The SSG was created to establish mechanisms that will advance the Newcastle Local Municipality towards gender equality.

Strategic Objectives:

- To advance a national policy on gender equality
- To prioritise key concerns and initiate policy and action-oriented research relevant to gender mainstreaming.
- To advise and brief the Council on all matters pertaining to the empowerment of women and men.
- Promote compliance with institutionalized days
- To liaise between NGOs dealing with women's and gender issues and Council.
- To liaise between district, provincial, national and international.
- To work with departments, provinces and all publicly funded bodies in mainstreaming gender in policies, practices and programmes
- To develop key indicators for measuring the local progression towards gender equality
- To arrange for training in gender analysis and gender sensitization
- To act as a catalyst for Affirmative Action with respect to gender equality
- To initiate and promote cross-sectoral action on cross-cutting issues such as the girl child, violence against women and HIV and Aids
- To facilitate awareness-raising and confidence-building among women at all levels
- To provide a co-ordination framework for the effective implementation of the gender programme at the local and ward levels.

- To consult and liaise with civil society.

2.1.2 Sub division on the Status of Disabled Persons (SSDP)

The SSDP has, established the interim Disability Forum. The Forum comprises of Persons with Disabilities and the government's focal persons.

Mandate: To ensure that all disability issues including the objectives of the Integrated National Disability Strategy (INDS), provincial and other local initiatives relating to disability are incorporated into all policies and programmes of all spheres of the Newcastle Local Municipality.

This also applies to all line departments within all spheres of Government. The mandate is primarily derived from the Constitution, the political and transformation objectives of Government; namely "creating a better life for all" and the INDS.

Vision: To have an environment that does not disable any human being in what ever way.

Mission: To actively engage persons with Disabilities in all decision making structures. Consequently, they will not experience discrimination.

Strategic objectives:

Development and implementation of the Newcastle's policies and programmes, which incorporate and are inclusive of disability issues and disabled persons

Increase in number of disabled persons productively engaged in the economy and contributing to municipality.

Develop the implementation of monitoring and evaluation systems and processes to include disability-specific indicators and measures relating to improving the lives of disabled persons

Capacity-Building:

Disability desks/focal points functioning effectively

Newcastle Municipality contributes to and delivers on district, provincial, national and international commitments.

Stronger co-operative relationship between Government, the private sector and other role-players in the disability sector

Increased public awareness on disability issues.

2.1.3 Sub division on the Rights of the Child (SRC)

Mandate: To ensure that the Newcastle Municipality lives up to its Constitutional, political and international children's rights commitments - by translating these into measurable and meaningful programmes. As a result Newcastle Municipality will be transformed into a society that affords children equal access to protection and development opportunities.

Vision: A child centred approach in Newcastle's governance processes, especially on issues which are directly or indirectly influential to children's well being.

Mission: To engage children on all issues possible.

Strategic objectives:

Develop municipal framework for the advancement and coordination of children's rights delivery

Mainstream a child-centred approach to policy, planning, programming, communication and funding process in the Newcastle Municipality.

Facilitate mainstreaming capacity building for children's rights focal points in the Newcastle Municipality

Advocate for children's rights delivery in the municipality.

Coordinate integrated children's rights policy implementation in government.

2.1.4 Sub division on the Office of Youth (SOY)

In 2009 the Newcastle Youth Council was formed, and represents people between 14 and 35 years. The structure was formed through five zones: Osizweni, Madadeni, Blaaubosh, Newcastle inner city and Charlestown. The Newcastle Youth Executive Committee consists of 13 members. The following documents were prepared: Newcastle Youth Council Constitution and the Newcastle Youth Council Finance policy

Mandate: To achieve integrated and mainstreamed youth development in all organs of the Newcastle Municipality, private sector and civil society, for sustainable livelihoods.

Vision: strategically empowered youth, who are able to make informed decisions.

Mission: To initiate, facilitate, implement, coordinate and monitor youth development interventions aimed at reducing youth instability (unemployment, confusion,) and promoting social cohesion.

Strategic Objectives

Facilitate mainstreaming of youth development within the Newcastle Municipality.

Co-ordinate integration of youth into all stakeholders' programs

Formalise, monitor and evaluate the Youth Policy

Facilitate and monitoring of youth targeted programs within the municipality

Provide support and advice to the Directorates within the department and thereby ensuring that issue affecting youth are addressed within the core and transversal functions of the department

Guide efforts and facilitate economic participation and empowerment, and achievement of education and training.

To partner with the municipal departments, the private sector and non-governmental organisations and community based organisations.

To initiate programmes directed at poverty alleviation, urban and rural development and the combating of crime, substance abuse and social decay amongst youth.

To develop annual priority programmes for youth development would be developed.

To promote a uniform approach by all bodies, public and private, relating to youth development.

2.1.5 Sub division on the Status of HIV/AIDS (SS-HIV/AIDS)

In 2003 the Newcastle Municipality developed an HIV/AIDS Strategy and was incorporated in the 2004/2005 IDP review. This gave rise to the Local AIDS Council in 2005.

In 2007, the Newcastle Municipality was number one in the KwaZulu Natal HIV/AIDS prevalence list. This posed a huge threat and the Newcastle Municipality had to speed change. It was in that struggle that the HIV/AIDS summit was held which was followed by the establishment of the four strategic pillars: Orphans and Vulnerable Children, Prevention; Care and Support for people living with HIV/AIDS, Research and Monitoring. All these pillars are headed by the relevant government departments, except the Research and Monitoring which is lead by the research organization.

Mandate: To eradicate HIV/AIDS and cater strategically for the directly infected and affected.

Vision: A free HIV/AIDS Newcastle

Mission: To equip the Newcastle community with proper skills, knowledge and attitudes to deal with HIV/AIDS, consequently, reducing the rate of HIV/AIDS infections and enhancing the economy.

Strategic Objectives:

Coordinating the Local Aids Council

Organize HIV/AIDS related workshops.

Organize and implement programmes relating to People Living with HIV/AIDS.

Comply with the national event dates.

To coordinate and administer HIV/AIDS programmes.

Ensure sustainable livelihood of HIV/AIDS programmes.

Conduct community needs assessment

Identify priority HIV/AIDS projects

Ensure conduction of research on the HIV/AIDS

Establish and maintain strategic partnership
Develop community participation programmes
Conduct or coordinate capacity building programmes for the staff and the public.

2.1.6 Sub division on the Status of Senior Citizens (SSSC)

Older persons are a target group in the community as a result of a lifetime of hardship, high susceptibility to chronic diseases and the ageing process itself. Some are dependent on cares for survival. This programme is grounded within a Human Rights Framework. Older Persons have the right to self-determination and fulfillment, dignity and respect, personal security

Mandate: To ensure that senior citizen do not feel discriminated in Newcastle.

Vision: To environment that is sensitive to the needs of senior citizens.

Mission: To engage the senior citizen in decision making structures, thus addressing their needs.

Strategic Objectives:

Maintain and protect the rights of older persons

Shift the emphasis from institutional care to community – based care and support in order to ensure that an older person remains in his or her home within the community for as long as possible.

Facilitate the registration, establishment and management of community – based care and support services as well as the establishment and management of residential facilities.

Regulate and coordinate the prevention and combating of the abuse of older persons.

To address Community based care programmes, establishment of Service Centres is promoted to address the following problems:

- Poor health
- Elder abuse and violation of human rights.
- Underdevelopment
- Lack of skills to manage HIV and AIDS infected next of kin
- Loneliness.
- Moral degeneration.
- Utilization of old age grant as a source of income for the family
- Lack of access to services
- The changing role of elder persons
- The money lenders(loan sharks) challenge

3. EMBEDDED SERVICES

It is highly imperative to note that due to the cross-cutting nature of Special Programmes, some services automatically falls in. These services are Citizens Consultation and Intersectoral Affairs.

3.1 Citizens Consultation

In 2009 South Africa experienced a number of service delivery protest. One might argue that this is due to the fact that the tax payers are not engage adequately in issues of importance. The structures to be established and maintained by the Special Programmes Division will act as a bridge between the community and the Newcastle Municipality.

Communication must never be a one-way rather a two-way to encourage active engagement. As a result this will eliminate negative attitudes towards the Newcastle Municipality or the community. Through these structures, the community will be making their own plans-hands on approach.

Contextual Strategic Objectives:

To develop and implement practical communication mechanisms that responded to the interests and aspirations of the target group

To develop and maintain efficient knowledge systems.

3.2 Intersectoral Affairs

Fundamental recognition must be given to the Special Programmes' relationships to other Government departments, and other organs of civil society including private sector (partnership model). It is not possible to implement these programmes without engaging these stakeholders. The Special Programmes' development and service delivery agenda calls for an intersectoral collaboration. This would entail sequencing and phasing in of various programmes, taking into account availability of resources and creative ways of involving development finance, private sector and civil society. Priority would be given to transforming societal values and institutions, in line with the constitutional vision of equality, non-sexism, human rights, and social justice.

It would be an idiotic action not to declare the significance of the political willingness. The onus is on the political wing to support the Special Programmes Mandate. This kind of support is one of the majestic weapons in service delivery. The Newcastle Local Council has an obligation to ensure that this mandate is carried and implemented effectively. Failure to embark on this service deliverance catalyst will cause havoc.

Contextual strategic objectives:

To mobilise, strengthen and support relations with household, ward, local, district, provincial and international partners at all levels.
 To ensure that government structures did address issues of the targeted groups, including providing adequate resources.
 To strengthen, broaden and enforce legislative mechanisms and district, Provincial, National and international instruments.
 The Department would also provide the Executive with high quality strategic support, ensure compliance with legislation, and undertake research and design and implement appropriate programmes.

2010-2011 YEAR PLAN

Table 32 Special Programs Year Planner

MONTH	ACTIVITY
January	Career exhibition Youth Exco-meetings(please see attachment)
February	Special Programmes workplace departmental sessions Youth Public Meetings
March	LAC Children's swimming competition Municipal Disability structure Human rights day
April	HIV/AIDS Awareness:..... Mens' Forum establishment
May	Child Protection Week Municipal Senior Citezen structure establishment
June	Youth Day celebration LAC 25
July	HIV/AIDS Workplace road shows HIV/AIDS Workshop for councillors Workshops for Senior Citezen (19, 20, 21 and 22)
August	Civil Society workshops on financial management Children's Forum establishment Womens' day commemoration
September	Senior Citizen's Summit Gender workshop LAC (17)
October	Children in conflict with the law (sessions) Youth and entrepreneurship workshops HIV/AIDS Awareness:
November	Disability day 16 Days of Activism against women and children LAC 19
December	HIV/AIDS Worlds Day (02)
January	Career exhibition

February	Workshops on Disability LAC
March	Disability Forum
April	HIV/AIDS Awareness:.....
May	Children in conflict with the law Amadoda: role by men in raising children
June	Youth Day celebration

The following Special Program policies and proposed strategies are in place :

- HIV/AIDS Policy and Mainstreaming strategy
- Disability Policy (Draft)
- Senior Citizens Report
- Youth Report

The following Fora have been established and is fully functional :-

1. Local Aids Council
2. Youth Council

Community Safety and Security

Whilst Newcastle Municipality has a relatively low crime rate (decrease of approximately 58% between the period 2003 to 2006- NSDP Pilot project) the following issues have been identified to be addressed in conjunction with communities, the SAPS and Department of Community Safety and Liaison :

- Prostitution around CBD
- Auto Car Guards Management
- Tall walls in certain houses
- Integrating CPF / Ward Committee Structures
- Continuous cutting if tall grasses
- Illegal immigrants in vacant houses (Pakistani , Angolans, Zimbabwean)etc
- Enforcing Municipality by laws on cleaning sites privately owned.
- Regulating second hand dealers
- Lighting systems
- Ensuring the marking of houses

The lack of adequate infrastructure and resources to ensure a safe community is also a priority in this regard. The need for mobile police units and increased visibility in various wards have been indentified by ward committees.

Furthermore, the need to intensify street lighting/high mast lights has been identified for this purpose.

An education campaign together with poverty alleviation and LED Programmes need to be streamlined for this purpose.

B10. Institutional Realities

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following :-

- Approval of an Integrated Development Plan
- Passing of by laws
- Approval of budgets
- Imposition of rates and other taxes, levies and duties
- Raising of loans

The following councillors have been designated as full time councillors:-

- The Speaker
- Chief whip
- Members of the Executive Committee (9)

The Executive Committee is made up of the following portfolios aligned to the Organigram of the Municipality :-

- Corporate Services
- Financial Services
- Community Services
- Development Planning and Human Settlements
- Technical Services

An Oversight Committee comprising whips of all political parties and chaired by the Speaker is being reviewed in line with recommendations on the establishment of a Municipal SCOPA

Institutional Arrangements and Human Resources Strategy/plan

As at 30 June 2009, the Municipality had a staff compliment of 1114 people, servicing areas of Newcastle, Madadeni, Osizweni, Blaaubosch, Ngagane, Kilbarchan, and Charlestown. The total establishment should

be 2000. However, the Micro structure is being reviewed as part the organisational restructuring process, and the staff complement could therefore increase to meet the service delivery challenges as highlighted in this IDP.

The Newcastle Organogram (illustrated below), and as approved by Council , makes provision for a Municipal Manager, and 5 departments as illustrated below. In the Office of the Municipal Manager is placed an Internal Audit and Strategic Services sections.

Figure 21: Organogram



The following table provides information on the total remuneration paid to all employees (amount spent on personnel costs) :- (excluding temps)

SALAR Y LEVEL	TOTAL REMUNERATI ON	% OF TOTAL REMUNERATI ON	AVERAGE REMUNERATI ON PER EMPLOYEE	NUMBER OF EMPLOYE ES
0 – 1	R 8,081,445.46	10,9 %	R577,246.10	14
2 – 3	R 4,189,819.03	5,64 %	R261 863,68	14
4 – 6	R 9,112,043.03	12,28 %	R198 087,89	42
7 – 10	R28,400,261.53	38,28 %	R132 094,23	190
11 – 15	R 7,338,522.81	9,89 %	R 29 006,01	267

16 – 20	R17,069,165.77	23,0 %	R 52 682,61	436
TOTAL	R74,191,257.63	100 %	R1,250,980.52	963

EMPLOYMENT AND VACANCIES

The following table provides information on the total number of employees per department (the core function as well as the support function) (including temps)

Table 33 Remuneration by Salary level

DEPARTMENT	MALES	FEMALES	TOTAL NO. OF EMPLOYEES
Community Services	305	152	457
Electrical / Mechanical Services	52	9	61
Culture & Amenities	156	65	221
Human Resources	7	11	18
Chief Financial Officer	25	46	71
Town Planning	14	7	21
Housing & Land	9	17	26
Economic Development	3	0	3
Administration	12	19	31
Civil Services	118	39	157
Municipal Manager & Mayor's Office	15	7	22
TOTAL	716	372	1088

Table 34 Employees by Department

The following table summarises the number of posts on the establishment, the number of employees as well as the number of vacancies. (including temps)

Table 35 Vacancy by department

DEPARTMENT	ESTABLISHMENT	NUMBER OF EMPLOYEES	NUMBER OF VACANCIES
Community Services	781	457	324
Electrical / Mechanical Services	97	61	36
Culture & Amenities	461	221	240
Human Resources	37	18	19
Chief Financial Officer	125	71	54
Town Planning	40	21	19
Housing & Land	32	26	6
Economic Development	10	3	7
Administration	47	31	16

Civil Services	575	157	418
Municipal Manager & Mayor's Office	31	22	9
TOTAL	2236	1088	1148

Employment and vacancies per salary level

Table 36 Employment/vacancies by salary level

SALARY LEVEL	ESTABLISHMENT	NUMBER OF EMPLOYEES	NUMBER OF VACANCIES	VACANCY RATE
0 – 1	17	14	3	0.13 %
2 – 3	24	16	8	0.35 %
4 – 6	65	46	19	0.84 %
7 – 10	380	215	165	7.37 %
11 – 15	557	253	304	13.59 %
16 – 20	921	324	597	26.69 %
Non-permanent	272	220	52	2.32 %
TOTAL	2236	1088	1148	51.29 %

AFFIRMATIVE ACTION

The following table indicates the progress on affirmative action for the total number of employees in terms of Employment Equity.

Table 37 Employment Equity status

Occupational Level	Target	Actual	Variance in % Achieved
Top Management	17	14	82.35 %
Senior Management	24	14	58.33 %
Professionally qualified and experienced specialists and mid management	85	42	49.41 %
Skilled Technical and academically qualified workers, junior management supervisors, foremen, and superintendents	380	190	50 %

Semi-skilled and discretionary decision making	557	267	47.9 %
Unskilled and defined decision making	921	436	47.3 %
TOTAL PERMANENT	1984	963	48.53 %
Non-permanent employees	252	125	49.60 %
GRAND TOTAL	2236	1088	48.65 %

EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year.

The following table provides information on appointments, promotions and terminations by race and gender. In addition the table provides an indication of the impact of these changes on the employment profile of the department. (including temps)

GENDE R / RACE	NO. OF EMPLOYEE S	APPOINTMENT S & TRANSFERS	PROMOTION S	TERMINATION S
African	871	159	12	83
Male	608	94	6	54
Female	263	65	6	29
Indian	76	10	5	6
Male	42	6	5	4
Female	34	4	0	2
Coloured	22	3	0	5
Male	14	3	0	2
Female	8	0	0	3
White	119	4	3	16
Male	52	1	1	8
Female	67	3	2	8
TOTAL	1088	176	20	110

Table 38 : Employment Changes

Turnover rates

This provide an indication of trends in employment profile of the municipality. The following table provide a summary of turnover rates by salary band.

Table 39 Turnover rates

SALARY LEVEL	APPOINTMENTS / TRANSFERS	TERMINATIONS	TURNOVER RATE
0 – 1	1	3	0.27 %
2 – 3	6	2	0.18 %
4 – 6	5	3	0.27 %
7 – 10	11	10	0.91 %
11 – 15	16	13	1.19 %
16 – 20	23	26	2.38 %
Non-permanent	114	53	10.07 %
TOTAL	176	110	4.87 %

Reasons why staff members are leaving the organization

Table 40 Reason for leaving municipality

TERMINATION TYPE	NUMBER	% OF TOTAL EMPLOYMENT
Death	20	1.83 %
Resignation	18	1.65 %
Expiry of contract	53	4.87 %
Dismissal – operation changes	0	0
Dismissal – misconduct	4	0.36 %
Dismissal – inefficiency	0	0
Ill – Health Retirement	5	0.45 %
Retirement	10	0.91 %
TOTAL	110	10.07 %

LABOUR RELATIONS

The following table summarize the outcome of disciplinary hearings conducted within the municipality for the year under review.

Table 41 Disciplinary Hearings outcomes

Disciplinary hearings – requests received	13	1.19 %
Enquiries held	8	0.73 %
Enquiries withdrawn	0	0

Guilty findings	6	0.55 %
Dismissals	5	0.45 %

WORKPLACE SKILLS PLAN

HRD has been successful in rolling out training programmes as per the WSP. Employees representative of almost all Departments have been sent to different workshops which address the skills gaps identified by their respective departments. This intervention is done through the Determination of Training Need. This training forms the bulk of all training that was arranged. In all 245 employees including councillors were trained. This works out to 77.7% of 311 officials that were planned to be trained.

The following courses have been arranged and attended by officials :-

- Certificate Programme in Management Development for Municipal finance
- Programme in Leadership and Management for Transformation
- Corporate Governance (Board Effectiveness)
- Security Management Training
- Annual Refresher Course for Lifesavers
- Swimming Pool Supervisor Course
- Health Sciences Management
- Integrated Waste Management
- High Volume Testing Course for Electricians
- Labour Intensive Management
- Road Pavement Rehabilitation
- Registry Course
- Computer Literacy
- Health and Safety
-

Table 42 Skills development 2009

Skills Development											
Occupational Categories	MALE			TOTAL Male Black s	MAL E Whi te	FEMALE			TOTAL L Fema le Black s	FEMA LE White	TOTAL
	A	C	I			A	C	I			
Legislators			1	1							1
Directors and Corporate Managers	3	0	2	5	2	0	0	1	1	1	9
Professionals	10	1	3	14	3	8	1	2	11	6	34
Technicians and Trade	5		4	9	5			1	1	1	16

Workers											
Community and Personal Service Workers	13	3	4	20	2	7			7		29
Clerks and Administrative Workers	9			9		3 2	1	7	40	13	62
Plant and Machine Operators and Assemblers	18		1	19		7			7		26
Elementary Occupations	46			46		2 2			22		68
TOTAL	101	4	15	123	12	76	2	11	89	21	245
Employees with disabilities											

The above illustrates the extent to which the WSP was implemented. The programmes consumed the budget of R 578 513.48. The Workplace Skills Plan and Report was timeously prepared, approved and submitted successfully on time, as a requirement, to the SETA. This was considered an achievement for the HRD because this renders the municipality eligible for the mandatory and discretionary grants from the skills levy paid to the SETA.

The other skills development strategy is the Study Assistance. This caters for all developmental needs that extend over a period of 12 months. According to this programme bursaries were awarded to four employees. These bursaries were for the pursuance of studies in Specialist Project Management, B Tech Degree, National Diploma in Public Management and National Diploma in Information Science. The bursars were reimbursed the amount totaling to R55 384.00 for the modules successfully completed by the end of the financial year. For both the Determination of Training Need and the Study Assistance the total amount of R 633 897.48 was utilised.

The Skills Development Act and the South African Qualifications Authority Act provide for the practical learning to be the integral part of the theoretical learning for any qualification to meet the requirements of the National Qualifications Framework. This therefore, calls for organisations and employers to afford learners with experiential learning opportunities. This provides students with opportunities to do in-service training and that the workplace be made an active learning area. The division has through this programme been able to place eighteen students in four of our departments, i.e. Technical Services, Planning and Development, Community Services and Corporate Services to obtain on the job training in the relevant fields such as electrical engineering, town planning, tourism management, environmental studies, library and information studies and human resources management.

The Occupational health and Safety Act provides for the maintenance of health and safe working environment. The HRD component charged with the co-ordinating role of the function within the organization has successfully ensured that safety committees are established, committee members are appointed, committees are functional, health inspections are conducted and that training as required in terms of the Act is provided.

HUMAN RESOURCE POLICIES AND STRATEGIES

The following Human Resource policies and Strategies are in place at the Newcastle Municipality :

- Macro Structure – Restructuring Plan
- Micro Structure – in progress
- Human Resources Policy
- Recruitment Policy
- Overtime Policy
- Subsistence and Travelling Policy
- Cell Phone Policy
- Sexual Harrasment Policy
- HIV/AIDS Policy
- Employee Assistance Programme

POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorised to Newcastle Municipality were separated into core and non-core functions.

Further allocation of powers and functions is elaborated on under institutional arrangements section.

Table 43 Powers and functions

Core/Primary		Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Building Regulations	Yes	None
	Electricity and Gas Reticulation	Yes	None
	Fire Fighting Services	Yes	None
	Municipal	Yes	None

	Planning		
	Stormwater Management systems in Built up areas	Yes	None
	Water and Sanitation Services	Yes	Await recommendations from MEC on intervention

		Capacity to implement (MDB)	Proposed Intervention
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None
	Street lighting	Yes	None
	Traffic and parking	Yes	None

Table 44: Powers and Functions (non-core)

Non-core /Secondary Functions			
Schedule 4 Part B	COMMENT FROM MDB(District Wide)	Schedule 5 Part B	COMMENT FROM MDB(District Wide)
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly performed
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly performed None	Fencing and fences	None

Non-core /Secondary Functions			
Schedule 4 Part B	COMMENT FROM MDB(District Wide)	Schedule 5 Part B	COMMENT FROM MDB(District Wide)
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Not or being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	Not or being poorly performed
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

There is a need to initiate the process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

Through the Municipal Capacity Assessment report prepared by the Municipal Demarcation Board , it has indicated that "No adjustment are recommended by the Demarcation board for the 2008/09 Assessment period." The capacity assessment for the 2009/10 year was not available for inclusion in this IDP.

However the Municipality is in the process of investigating the retention and/or transfer of the Municipal Health services and Disaster Management Service which are both District functions.

PUBLIC PARTICIPATION AND GOOD GOVERNANCE

Communication Strategy

The **communication strategy** provides guidelines, principles and an overall approach to direct the entire communication effort by targeting the appropriate messages to critical audiences. Thus, this communication strategy seeks to enhance the Newcastle Municipal revenue and reduce water wastage, consequently contributing to the financial viability and sustainability of the municipality in the long term.

The proposed **communication plan** that forms part of this strategy will define the:

- ☐ Specific tools the Newcastle Municipality will use to achieve the communication strategy.
- ☐ Timing and sequence of the development and implementation of these tools.
- ☐ Feedback mechanisms the Newcastle Municipality will use to measure the effectiveness of its communication strategy and plan, and to adjust these as necessary.

It is important to note that a communication plan alone will lead to activity, not results. Similarly, time spent on strategy alone will reduce time spent implementing the plan. Thus, integration between strategy and plan is essential for successful communication to occur.

The objectives of the Communication Strategy

This communication strategy aims to:

- ☐ Advise communities on new municipal policies, by communicating simple, clear, consistent and unambiguous messages to relevant audiences (stakeholder groupings of the municipality).
 - Bring about awareness of new municipal policies to communities, “driving the story line”, combating rumours and allaying anxieties through keeping consumers/communities informed.
- ☐ Provide consumers/communities with a platform to raise concerns, issues and challenges experienced in respect of municipal policies.
 - Promote a feedback culture to assess the effectiveness of all communication endeavours made.

CRITICAL SUCCESS FACTORS FOR EFFECTIVE COMMUNICATION

The following factors will ensure the successful implantation of the Communication Strategy and Plan and avoid risks associated with communication activities.

- ☐ Commitment from the council.
- ☐ Clearly defined approval processes for initiating, drafting and distributing communication material. Accountability for disseminated messages is important.
- ☐ Continuous evaluation of the effectiveness of communication and the implementation of corrective measures to improve it.
- ☐ Check for understanding – ensure the message has been properly understood by the audiences. Translation of all communication from English to Zulu will be of paramount importance, to ensure that the same messages reach all segments of the community.

Public Participation

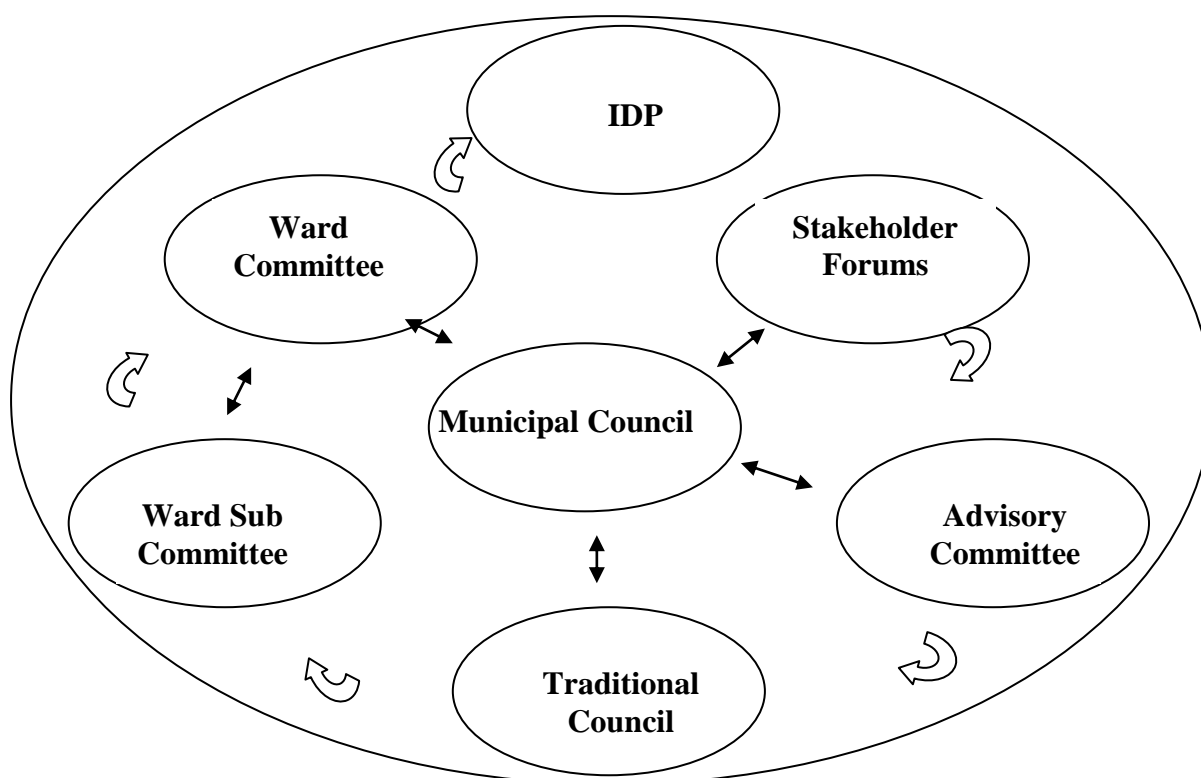
Public participation is one of the key principles of democracy. A democratic society means a society that is people-centered. It is about people, their concerns and needs. At the same time, to be effective, a democracy that encourages public participation also requires citizens who take on the responsibilities of participating in a democracy. A democracy does not entitle citizens to do what they like, when they like, to whom they like and if they like. Rather it requires a balance between meeting the needs and desires and aspirations of citizens, available resources and citizens who take on the responsibility of interaction with their fellow citizens with respect and consideration. Public participation requires appropriate structures and institutions to enable citizens to voice their concerns, raise issues, identify needs and reach agreeable solutions to meet these needs and concerns. Public participation refers to a range of activities that members of a community can undertake to assist in planning and/or implementing projects.

The goals for public participation are to inform, involve and engage communities in the affairs of the municipality. The requirement to '**inform**' the public is usually directed in the legislation through mechanisms like advertisements in newspapers, newsletters and the radio. The requirement to '**consult**' the public is usually expressed in the legislation through calls for written submission or public meetings,

including meetings with stakeholders. To '**involve**' the public is usually outlined in the legislation through structures like ward committees and public meetings around the budget.

Types of Participation Structures

The following various structures can be established by municipalities to promote the participation process.



These structures can then form a community participation forum for the municipality. An ideal situation would be to have these structures all represented in this forum to engage on issues relating to communities they serve. For an example, members of ward committee who are elected to serve on the community participation forum should then report back to their structure. If a member of ward committee represents an interest group within the ward committee, that group cannot be represented by another person in the forum, to avoid duplication. This forum should ensure that representatives from sector departments are included.

Process of community participation

Successful public participation depends on good communication to keep the general public informed about issues and services. Public dissatisfaction is in part a reflection of the failure of the municipalities

to stay sufficiently in touch with their communities. One of the most common ways public participation improves governance is by increasing levels of information about local government in communities. Public participation will not work if government is not committed to it; therefore commitment from government is necessary for effective communication.

Ward Committees can facilitate public participation in several processes at local level including:

- the formulation of the budget and by-law process,
- area-based management of municipal employees and official by seeking community input
- and monitoring of the performance management system and assessing key performance indicators, and the development of the Integrated Development Plan.

Approaches for community participation

Current approaches which are being advocated include:

- legitimate structures for community participation (**ward committees**);
- mechanisms for communities to plan (**Community-based planning**, CBP);
- integrating this planning with the **Integrated Development Planning** (IDP) process of local governments;
- support for wards to **implement** their plans, using **discretionary funds** that they control, and encouraging voluntary action to do so;
- providing facilitation and support to ward committees and community groups using **community development workers**;
- holding ward committees and municipalities to **account**.

Principles of community participation

In order to make this a reality we must be guided by a series of principles:

- **Inclusivity** - embracing all views and opinions in the process of community participation.
- **Diversity** - In a community participation process it is important to understand the differences associated with race, gender, religion, ethnicity, language, age, economic status and sexual orientation. These differences should be allowed to emerge and where appropriate, ways sought to develop a consensus. Planning processes must build on this diversity.

- **Building community participation** – Capacity-building is the active empowerment of role players so that they clearly and fully understand the objective of public participation and may in turn take such actions or conduct themselves in ways that are calculated to achieve or lead to the delivery of the objectives.
- **Transparency** - promoting openness, sincerity and honesty among all the role players in a participation process.
- **Flexibility** - the ability to make room for change for the benefit of the participatory process. Flexibility is often required in respect of timing and methodology. If built into the participatory processes upfront, this principle allows for adequate public involvement, realistic management of costs and better ability to manage the quality of the output.
- **Accessibility** – at both mental and physical levels - collectively aimed at ensuring that participants in a public participation process fully and clearly understand the aim, objectives, issues and the methodologies of the process, and are empowered to participate effectively. Accessibility ensures not only that the role players can relate to the process and the issues at hand, but also that they are, at the practical level, able to make their input into the process.
- **Accountability** - the assumption by all the participants in a participatory process of full responsibility for their individual actions and conduct as well as a willingness and commitment to implement, abide by and communicate as necessary all measures and decisions in the course of the process.
- **Trust, Commitment and Respect** - Above all, trust is required in a public participatory process. Invariably, however, trust is used to refer to faith and confidence in the integrity, sincerity, honesty and ability of the process and those facilitating the process. Going about participation in a rush without adequate resource allocations will undoubtedly be seen as a public relations exercise likely to diminish the trust and respect of community in whoever is conducting the process in the long term, to the detriment of any public participation processes.
- **Integration** – that public participation processes are integrated into mainstream policies and services, such as the IDP process, service planning

Rights and Responsibilities of stakeholders

Community members have right and responsibilities to:

- i. Contribute to the decision-making processes of the municipality;
- ii. Submit written or oral recommendations, representations and complaints to the council or party caucuses or the Executive Committee or the Community Participation Unit of the municipality;
- iii. Prompt responses to their written or oral communications, including complaints to the council or to another political structure or a political office bearer or the administration of the municipality;
- iv. Be informed of decisions of the council, or Executive Committee or support committee or sub committee or administration of the municipality;
- v. Advocate for regular disclosure of the state of affairs of the municipality, including its finances;
- vi. The use and enjoyment of public facilities; and
- vii. Have access to municipal services which the municipality provides.

The community has also the responsibility

- I. When exercising their rights, to observe the mechanisms, processes and procedures of the municipality;
- II. To obey all government laws that do not conflict with her/his conscience and those which do not violate the person's human and fundamental rights;
- III. To allow municipal officials reasonable access to their property for the performance of municipal functions;
- IV. To accept the basic structures and principles that make society function properly;
- V. To fulfill his or her dues in terms of paying taxes and all forms of fiscal obligations, which enhance performance of a democratic government;
- VI. To observe the rule of law, tolerance, equality of opportunity;
- VII. To profess and protect democratic principles, freedom of speech, freedom of linguistic and cultural orientation and equality of the different ethnic origins and sexes;
- VIII. To acknowledge that expressing own culture and beliefs is related to the responsibility to accept the right of others to express their views and values;
- IX. To enroll in the Electoral Register and vote at all levels as means to safeguard democracy;
- X. To denounce all forms of unlawful behaviour and corruption as well as any potential detriment to the wellbeing of fellow citizens.

The functional public participation structures of the municipality are :

- ✓ IDP/PMS Co-ordination Committee through the District
- ✓ Planning Co-ordination committee
- ✓ AFLED and Sub-structure (Agriculture, Tourism, Industry)
- ✓ ICT Co-ordination Forum
- ✓ GIS Co-ordination Forum
- ✓ District wide Sector Plans
- ✓ Siyenza Manje
- ✓ IDP Representative Forums
- ✓ Traditional Leaders
- ✓ Landowners – JBC Steering Committee
- ✓ Ward Committee Structures - 31 wards
- ✓ Pilot Ward 15 – CBP – Newcastle

The draft Public Participation Policy is in the process of approval after public comments were received.

Accordingly, the need to restructure the IDP RF has been identified for the following reasons :

- IDP RF already a structure- mandate to represent community – without a formal Terms Of Reference
- Structure formed by elected members of community(ward committees and councillors), stakeholders, civil organizations, interest groups (ratepayers association)
- Sector departments represented but most do not attend – IGR issues being addressed through IGR Technical Task Team and Flagship Program
- Matters discussed on this forum not only IDP related- service delivery and public participation
- Members of RF already serve in more than one structure
- Group and organize sectors to ensure integration and co-ordination
- streamline developmental issues via one Forum

Recommendations for the a new Public Participation Forum are therefore :

- Formulation of a Forum that will consist of all stakeholders who will look into matters of community participation and service delivery
- Operate with a formal Terms Of Reference (TOR) for the forum
- Register representatives in the forum-as per criteria set out in the TOR
- Ensure that sector departments are involved with a mandate to take of decisions

- Promotion of report back mechanism to ensure two-way communication

Ward Committee Structures

Section 152(1)(e) of the Constitution of the Republic of South Africa, read together with Section 72 (1) and (2) of the Municipal Structures Act (Act 117 of 1998) give a direct mandate to Municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8 (g and h), 9 (f) and 72 of the Structures Act, authorise Municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

Accordingly, 31 ward committees are operational in the Newcastle Municipality. A Ward Committee consists of the relevant Ward Councillor, who automatically assumes chairpersonship of the committee, and ten (10) other members. This composition is in terms of Section 73 (2) (a) and (b) of the Municipal Structures Act, which further states that the other ten (10) members should be elected into the Ward Committee.

Council has to regulate the election of the other ten (10) members. The community shall elect the other ten (10) members, in accordance with the procedures laid down below.

That in the composition of the Ward Committee, there should be equitable representation of women, that the diversity of interest and geographic representation be taken into account. Furthermore, that there be no party political representation in the Ward Committees.

WARD COMMITTEE SYSTEM STRUCTURE

The Municipality has thirty one (31) wards, and each ward would have its Ward Committee. All of these wards combined at a municipal wide level shall constitute a Region.

The region shall be divided into three (3) zones, viz;

- (a) Zone A which will have 10 wards.
- (b) Zone B which will have 10 wards.
- (c) Zone C which will have 11 wards.

The Ward Committee system shall be structured according to the following fora:

- (a) Regional Ward Committee Fora,
- (b) Zonal Ward Committee Fora,
- (c) 31 Ward Committees.

A public Participation unit established in the Office of the Municipal Manager and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approved Ward Committee policy.

AUDIT COMMITTEE

An Audit Committee is established in terms of the MFMA and MSA. The terms of reference of the committee includes both financial and performance related matters as prescribed by legislation.

Presently the Committee comprises of 3 members, and with the resignation of 1 member the composition of the committee is being reviewed to 5 members.

Role of Audit Committee

- To review quarterly performance reports as submitted by internal audit
- Review the effectiveness of the PMS and make recommendations in this regard to EXCO regarding monitoring, measurement and review of KPI's and targets
- To assess whether KPI's are sufficient and adequately address organisational objectives

- To assess the reliability of information contained in Performance Reports
- Compares targeted and actual performance
- To review the external auditors report and ensure that recommendations are implemented
- TO submit a performance report to Council bi-annually
- To commission performance investigations where there is continued poor performance reported
- Review the performance management information contained in the Annual Report of Council

B11. Financial Realities align to Financial plan

Financial Viability and Sustainability/Profile

This financial profile is based on the current situation pertaining to the Municipality where meetings take place on a regular basis, at various levels, with regard to the protection of the Council's viability and sustainability. A SWOT meeting resulted in a Financial Viability Group being constituted, which met to analyse the financial strengths and weaknesses of the Municipality. A Financial/Treasury Services Workgroup was thereafter set up, comprising of the Chief Financial Officer, the Mayor, the Municipal Manager, the IDP Manager and the Deputy Chief Financial Officer, to approve various strategies to maintain the financial viability of the Municipality.

The financial affairs of the Municipality are governed by the following legislation:

- Municipal Finance Management Act, No.56 of 2003
- Local Government: Municipal Property Rates Act, No. 6 of 2004
- Local Government: Municipal Systems Act, No. 32 of 2000
- Local Authorities Ordinance (1974) – Sections not yet repealed
- Annual Division of Revenue Act
- Treasury Regulations

The Newcastle Municipality has a series of financial policies, regulations and bylaws in place. Financial policies are reviewed annually in terms of the budget process to ensure compliance with the Municipal Finance Management Act and Regulations.

The financial policies address the following:

- **General Financial Policy**, which sets out the duties and functions of Council, the Executive Committee, Municipal Manager, consumers and Councillors and Political Parties in respect of the financial affairs of the Newcastle Municipality.
- **Tariffs**, which defines the services provided by the municipality, the principles on which tariffs are set, categories of customers, expenditure classification and cost elements, tariff types and the units of measurement to be utilised
- **Credit Control, Debt Collection and Customer Care**, which sets out the objectives and principles of the policy, customer assistance programmes including the household indigent support subsidy indicating who qualifies for the subsidy and the extent and application of the subsidy, enforcement mechanisms for debt collection and performance management for the implementation of the policy
- **Investment Policy** indicating how surplus funds should be invested.
- **Supply Chain management** providing guidelines for the procurement of goods and services for council including guidelines regarding the sale of Council assets.

The financial regulations provide financial management procedures and processes within the Municipality in respect of:

- Annual estimates on the revenue and capital account
- Expenditure
- Excess Expenditure
- Capital Expenditure
- Collection and Control of Revenue
- Tenders and Contracts
- Stores and Material
- Payments
- Capital Expenditure and Borrowing Powers
- Costing and Departmental Work
- Closing of Votes
- Assets
- Insurance
- Investments
- Internal Audit and Accounting
- Custody of documents
- Staff Administration
- General

The current financial bylaws of the Newcastle Municipality address the implementation and enforcement of the Credit Control, Debt Collection and Customer Care Policy.

The following Financial Policies are in place :

- Asset Management Policy
- Cash Management & Investment Policy
- Credit Control Policy
- Supply Chain Management Policy
- Municipal Property Rates Policy
- Credit Control, Debt Collection and Customer Care Policy (includes Indigent issues)
- Tariff Policy

Municipal Income - The municipality's main sources of revenue are:

- Revenue from Tariffs, Service Charges & Sundry Revenue
- Government, Provincial and Grants and Subsidies

Municipal Expenditure - The expenditure portion of the budget is split into the following main categories:

- Salaries, wages and Allowance
- General Expenditure
- Repairs and Maintenance
- Capital Charges (interest and depreciation)
- Contribution to Funds and Reserves
- Inventory Items
- Contribution to Fixed Assets
- Less Amounts re-allocated
- Less Reserve Funds Contribution

The financial treasury department is responsible for the financial administration, financial control and financial reporting of the local authority as a whole. The services provided by the Finance Directorate are as follows:

- Budgets and Costing
- Management Accounting

- Financial Reporting
- Procurement
- Revenue
- Internal Audit
- Credit Control and Debt Collection
- Creditors and Salaries
- Investments and Grant Revenue Control

All the above services are rendered in house by Financial staff with the exception of Credit Control and Debt Collection and a portion of the meter reading function, which has been outsourced.

The current financial overview of the Newcastle Municipality can be summarized by the following points:

The municipality has a current annual revenue AND operating budget in excess of R1b.

Some of the needs identified within the IDP priorities which have been provided for in the Capital budget include (amongst others):

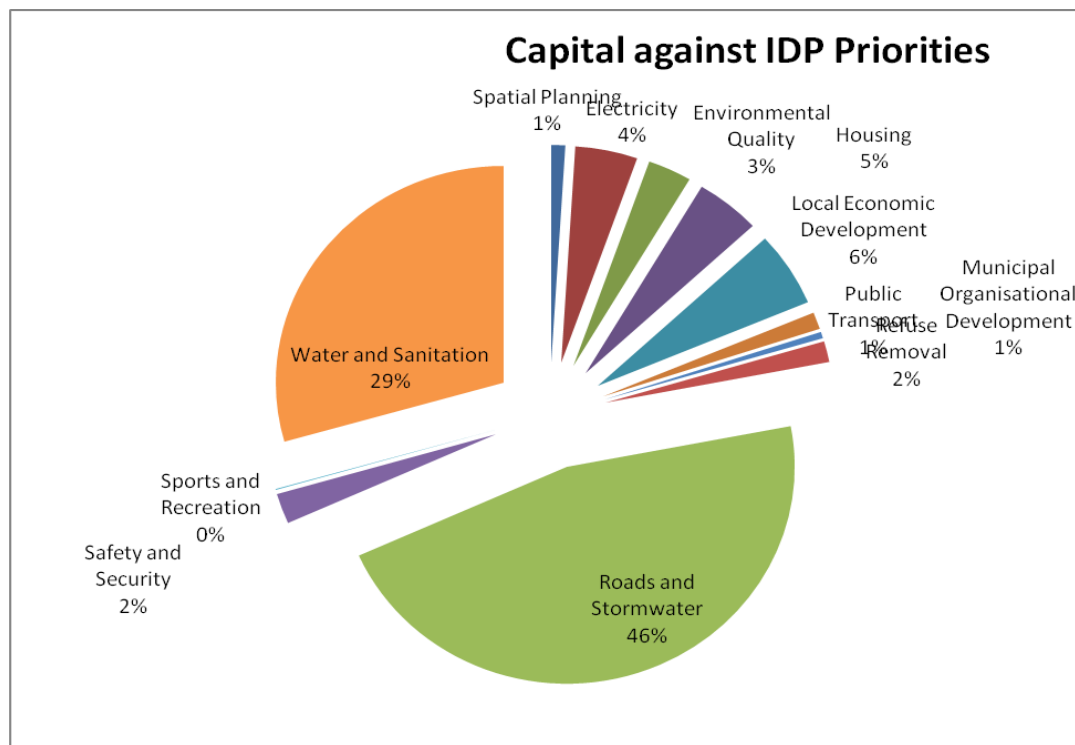
Roads and Stormwater in previously disadvantaged areas – R 34.23m
(46% of total CAPEX)

Water and Sanitation – (28,23% of total CAPEX)

High Mast Lights – R2%

Waste Management – 2%

Figure 22 Capital Against IDP Priorities



The municipality still makes substantial provision for bad debt to the amount of R86m.

Whilst attempts are made to increase the payment factor, much more needs to be done to encourage consumers who can afford to pay for services, to pay.

Included under General Expenditure of R484,2 million ,are the following items:

- Bulk Purchase of Electricity R139,5 million
- Water Service Provider – uThukela Water R 83,2 million
- Indigent Support R 61,6 million
- Departmental Rates and Service Charges R 24,8 million
- Rates Rebates R 18,5 million
- Free Basic Electricity R 7,6 million

The municipal equitable share allocation from National Government has increased from R110m in the 2007/08 year to R135,6m in the 2008/09. The grant is utilized mainly to subsidize free basic services to indigent customers in line with National Priorities. The municipality has

budgeted for approximately 21 000 indigents in the 2009/10 budget. The Equitable Share is utilised as follows:

Indigent Support R 61,6 million
Free Basic Electricity R 7,6 million
Free Basic Water R 9,5 million
Tariff Subsidisation (Newcastle East) R 47,7 million
Property Valuations R 3,0 million
Resealing of Roads R 6,0 million

The monthly income ceiling to qualify as an indigent household was raised from R1 800 to R1 900 for the 2008/2009 financial year. The municipality currently supports a total of 19 467 indigent household through its equitable share allocation. However the process of registering the indigent is on going and all those with total household income of less than R1 900.00 per month are encouraged to register for support.

The Capital Budget amounts to R80 million of which R62,6 million is funded through grants and remaining R17,5 million through external loans. Since 2004/2005 Council has become reliant on loans to finance the counter funding of grants and other new projects. Inclusive of the R10,9 million loan approved for the 2008/2009 financial year, Council has approved a total loan facility of R123,9 million. Council needs to determine the impact of this on tariffs and affordability to the various communities prior to accepting further grants that requires counter funding, especially in the light of the high unemployment and large number of indigent households in the area. An amount of R8,08 million has been budgeted for interest payments on external loans for the 2008/2009 financial year. Proper provision for depreciation in terms of GAMAP/GRAP in the amount of R25,6 million has been included in the 2008/2009 budget under this category.

A total loan facility of R123,9 million has been approved and it is the opinion of the Department of Financial Services that Council is in the process of over extending it's liabilities given the current levels of payment.

Financial Policies and Strategies

In addressing some to the financial challenges faced by the municipality, the EXCO and Management worked together in developing turn around strategies for the organisation.

These include amongst others:

Proposing a micro structure for the Newcastle Municipality

Addressing key intervention areas and challenges with specific reference to financial viability, communication, restructuring and transformation

Developing a three year action plan aligned to the budget

As part of this financial turnaround strategy, the Newcastle Municipality has a series of financial policies, regulations and bylaws in place. Financial policies are reviewed annually in terms of the budget process to ensure compliance with the Municipal Finance Management Act and Regulations.

The current financial bylaws of the Newcastle Municipality address the implementation and enforcement of the Credit Control, Debt Collection and Customer Care Policy.

The Municipality's budget is guided and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to guide the budget process and inform the projections of the medium-term budget.

The following budget related policies, which have been approved by Council, are currently in force to ensure an informed smooth budgetary process and financial management of the Municipality in line with the Municipal Finance Management Act, other relevant legislation and Accounting Standards.

Table 45Financial Policy

Financial Policy	Status
General Financial Policy	In place and sets out the duties and functions of Council, the Executive Committee, Municipal Manager, consumers and Councillors and Political Parties in respect of the financial affairs of the Newcastle Municipality.
Tariff Policy	The current Tariff Policy, which the municipality adopted in terms of section 74 of the Local Government Municipal Systems Act, is currently

	being reviewed. The draft policy is still at management discussion will soon be submitted to the Executive Committee and Council for approval.
Credit Control, Debt Collection and Customer Care Policy	In Place and sets out the objectives and principles of the policy, customer assistance programmes including the household indigent support subsidy indicating who qualifies for the subsidy and the extent and application of the subsidy, enforcement mechanisms for debt collection and performance management for the implementation of the policy.
Investment Policy	In place and indicating how surplus funds should be invested.
Supply Chain Management Policy	In place and providing guidelines for the procurement of goods and services for council including guidelines regarding the sale of Council assets.
Assessment Rates Policy	Section 3(1) of the Local Government Municipal Rates Act, 6 of 2004, and sections 62(1) of the MFMA determines that a municipality must adopt and implement a rates policy on the levying of rates on rateable properties. The final draft of the new rates policy is submitted separately for Council's consideration and approval. The adoption of the draft policy will give effect to rating on rateable properties with effect from 01 July 2009.
Credit Control, Debt Collection and Customer Care Policy	As required in terms section 97 of the Municipal Systems Act, the Credit Control, Debt Collection and Customer Care Policy has not been reviewed by Council during the current budget process. The Department: Financial Services is currently busy identifying revenue enhancement strategies which will result in the Credit Control, Debt Collection and Customer Care Policy being reviewed thereafter. The relief measures for indigent consumers are also catered for under this policy
Supply Chain Management Policy	The reviewed Supply Chain Management Policy was implemented by Council on 12 December 2007. It was considered unnecessary to further amend the policy during the current budget process.
Cash Manager and	This policy was approved by Council with effect

Investment Policy	from January 2008 as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process.
Asset Management Policy	This policy was approved by Council with effect from January 2008 as required by the MFMA. It was considered unnecessary to further amend the policy during the current budget process. The Department of Financial Services is currently busy with the compilation of asset register in terms of GRAP accounting standards, which might result in the Asset Management Policy being reviewed.
Accounting Policies	The accounting policies, which normally guide provision to reserves, capital charges and other newly developed budget requirements in line with GRAP, have not been amended or reviewed in the 2009/10 budget process. The accounting policies enhance the harmonisation of the Budgets and Financial Reporting Reforms in terms of Schedule A of Gazette No.31804 issued by National Treasury. Finance Department is currently considering to developing a formal accounting policy document, which will be presented before Council for adoption.
Overtime Policy	The overtime policy, which has budgetary implications on employee related costs, was reviewed and adopted by Council on July 2008.
Subsistence and Travelling Policy	The Subsistence and Travelling Policy was reviewed and amendments were adopted by Council on January 2009. The implementation of the subsistence and travelling policy has a budgetary implication in appropriation in funds for travelling, accommodation and meals for Municipal Officials and Councillors embarking on business related trips.

Recent Financial Achievements

The following recent financial management progress should be noted:

- The 2008/2009 annual budget and supporting documentation was approved in compliance with the Municipal Finance Management Act, No 56 of 2003;
- Further general compliance with regard to the requirements of the Municipal Finance Management Act, No 56 of 2003;
- Indigent account holders continue to be registered and receive subsidized services;
- The appointed Service Provider continues to collect arrear debt in terms of the approved Debt collection process;
- The Supply Chain Management Policy was reviewed during the year;
- Billing of water services for the entire municipal area is performed with a Service Provider performing meter readings in the certain areas;
- Terminals are being replaced with computers on an annual basis;
- Council has not defaulted on the repayment of any loans;
- 2007/2008 Annual Financial Statements GAMAP/GRAP compliant;
- The Debt Collection, Credit Control and Customer Care Policy was reviewed in terms of the budget process;
- Monthly levies, creditor payments and salaries continue to be processed and municipal accounts posted;
- Better control implemented over grant income and expenditure.
- The Newcastle budget is MFMA compliant with principles of the MFMA now fully introduced and entrenched in the Municipality's financial affairs.

Financial Challenges

The key factors which constitute financial challenges and/or risks to the financial position of the Municipality are:

- Revenue enhancement strategies to be identified;
- Implementation of Valuation Roll to be compiled in terms of the Property Rates Act on 1 July 2008;
- Restructuring – with specific reference to Institutional arrangements and the finalisation of the Macro and Micro structures (Filling of vacant positions with appropriately qualified staff)
- The costs of implementing indigent support programmes.

- The loss of revenue with regard to the non-installation of the water restrictors for purposes of debt collection and credit control.
- Lack of internal control relating to the water service provider uThukela Water (Pty) Ltd.
- Decline in cash and investments and possible cash flow problems due to the non-conversion of debtor's arrears into cash.
- Council's lack of ability to spend grants in terms of business plans and MIG timeframes. (Slow pace of implementation of capital projects timeously).
- The need to align municipal objectives (IDP) and budget to that of National targets in terms of the 5 year Local Government Strategic Agenda.
- To identify non-indigent accountholders registered as indigent and included in the indigent register.
- Review of all financial policies;
- Replacement of current in-house financial system;
- The possible loss of revenue due to the restructuring of the electricity industry.
- The current low payment rates for services rendered and limited means of credit control through disconnections in the West.
- The loss of revenue with regard to the non-installation of the water restrictors for the indigent where the indigent household is to be limited to 6kl of water a month.
- To become fully compliant with Supply Chain Management legislative requirements;
- To implement third party pre-paid electricity vending;
- Low payment factor and educating customers with regard to the benefits of paying for services
- Tariff increases are $\pm 1,5\%$ below the current CPIX.
- Incorporation of Waste Works into the Municipal service.
- Insufficient provision for maintenance.

Financial Management

One of the biggest challenges of the Financial Plan is matching increased service demands with a relatively stagnant revenue basis. This is further aggravated by the challenges of joblessness and HIV-ravaged households where the latter, more than often, are child-headed households. The restructuring of electricity supply also had a severely negative impact on Municipal revenue generation. This process could result in the loss of revenue and fiscal surpluses that the Municipality was relying on.

These challenges make the need for realistic and timeous financial planning even more critical. The Financial Plan is necessarily informed by available resources and therefore also victim of resource limits. This contradicts strongly with the demands of the IDP which is visionary and goal oriented, striving to achieve an improved quality of life for all the residents and communities in the Newcastle Municipality. However, an IDP without the support of a disciplined Financial Plan is ultimately doomed as unattainable and "pie in the sky". The Financial Plan provides the framework within which human challenges can be addressed in a realistic and often incremental manner based on the available resources. It steers away from creating unrealistic expectations, frustrations and anger.

Newcastle Municipality is faced with the awesome task of eradicating its massive backlogs in service provision. This would require massive resources to address. It is now paramount to concentrate on the financial planning part of the IDP to determine how and when these backlogs can be addressed on a sustainable basis and within the context of available resources.

The implementation of the Municipal Property Rates Act has come with huge challenges, resulting in the projected rates revenue of R122.13 million, a reduction of ±R35 million from the R157 million approved in the 2008/09 budget year. Electricity tariffs are expected to boost the operating revenue by R287.7 million, an increase of R57 million (25%) from R230,201 approved in the 2008/09 adjusted budget. It should be noted that electricity revenue is based on tariff increase of 25% as advised by the National Treasury, however, this percentage is still likely to increase, pending continuing discussions between Eskom and the National Electricity Regulator. Waste management is expected to generate about R49.1 million to the operating revenue, representing an increase of R4.1 million. Revenue from water and sanitation has increased from ± R149.3 million to R172.5 million of which 9% is due to tariff increases and the balance due to higher anticipated sales based on the current reality, water leaks and the fact that indigents are not restricted to 6 kilolitres of water supply per month.

The equitable share allocation received from National Government increased by ± R36.7 million (25.9%) to R178.2 million per annum. In terms of the conversion from fund accounting to GAMAP/GRAP the off-setting of depreciation in the amount of ± R19 million has also been included under revenue. In terms of the said conversion interest received on external investments also increased by R0.7 million or 8%. Total revenue for the 2009/2010 financial year is estimated at R887.8 million inclusive of water and sanitation services.

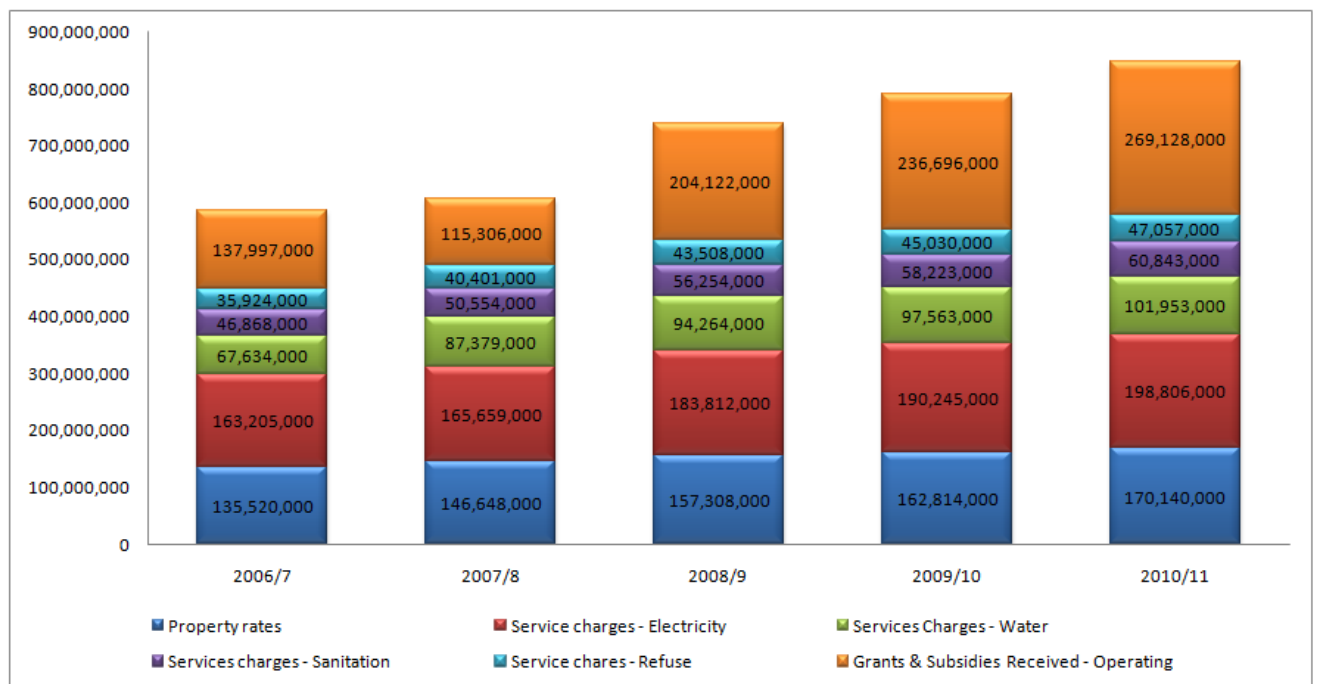


Figure 23 Financial Analysis Operating budget

The equitable share in the amount of R225.7 million will be utilised as follows:

Rates: Indigent Support	R 15.0 million
Free Basic Electricity	R 5,5 million
Free Basic Water	R 14,7 million
Sewer: Indigent Support	R 30.2 million
Refuse: Indigent Support	R 18.4 million
Resealing of Roads	R 8,0 million
Tariff Subsidisation	R 76.2 million
Capital Projects	R 53.0 million

The monthly income ceiling to qualify as an indigent household will be capped at R1,900 and be increased to R2,020 for old aged pensioners for the 2010/2011 financial year.

Table 46 Indigent Detail 2009

INDIGENT DETAIL FOR THE YEAR ENDED 30 JUNE 2009

MONTH	NUMBER OF INDIGENT ACCOUNTS	CURRENT ACCOUNT CONSOLIDATED LEVY	NUMBER OF RECEIPTS OR BENEFIT RELATING TO CURRENT LEVY	VALUE OF RECEIPTS AND BENEFIT RELATING TO THE LEVY AMOUNT
July 2008	20,650		20,376	

		9,319,667.12		5,545,182.47
August 2008	20,744	8,394,036.43	20,498	5,578,888.26
September 2008	20,813	8,637,574.24	20,582	5,621,438.50
October 2008	20,797	8,480,403.96	20,588	5,580,035.62
November 2008	20,891	8,149,584.91	20,625	5,598,511.03
December 2008	20,894	8,842,920.04	20,712	5,603,014.54
January 2009	20,914	9,012,125.21	20,867	8,888,766.56
February 2009	20,932	7,744,091.06	20,758	5,624,655.35
March 2009	20,978	8,675,688.54	20,784	5,629,013.18
April 2009	20,956	8,074,103.04	20,810	5,618,772.14
May 2009	21,082	9,058,344.43	20,820	5,641,585.21
June 2009	21,136	<u>8,574,954.84</u>	20,906	<u>5,687,712.39</u>
		86,518,236.89		59,711,756.03

In terms of the Credit Control, Debt Collection and Customer Care Policy the maximum monthly household earnings of an indigent application will equal to the total of twice the social old age pension, rounded to the closest R100 thereafter, currently amounting to R1,900. The onus lies with the applicant to come forward and register for indigent support in line with the Council approved indigent policy. As at 30 June 2009 there were 20 289 indigents registered for indigent support which is an ongoing process. All account holders who qualify for indigent support are encouraged to register accordingly.

Bad debt written off during the year ended 30 June 2009

Arrears are written off on indigent account holder's accounts monthly at the date of registration as indigent in line with Council Resolutions. We are currently in the process of investigating the status of debtors accounts in order to ensure that all debt perceived as doubtful is written off in the forthcoming year.

Payment Factor for the year

The payment factor values noted in the relevant table relates only to current debt and does not include the collection of arrear debt. It is noted that the payment factor has not suffered too much in the

current economic climate. However, as at February 2010, the outstanding debt has reached a whopping R500m. This has an adverse affect on the Provision for bad debt and the ability of the Council to fund capital expenditure.

Interest is not charged on arrears and neither is interest paid on consumer/housing deposits. Billing is processed monthly whilst statements are not posted to indigent consumers in the areas where Council does not supply electricity.

Rating of Properties and the CAT System Residential Properties

Residential properties in Madadeni and Osizweni are valued at a nil value and are accordingly excluded from the number of rateable properties. The CAT system is applied to those properties; however, the service levy is included in the rates income of the municipality as it is levied in lieu of rates.

Property Valuations

The table below presents information on the valuation of property in Newcastle. The municipality will be implementing the valuation roll in line with the newly promulgated Property Rates Act, number 6 of 2004, on 1 July 2009.

Area	Type	Date of last Valuation
Newcastle West	Land	1988
	Buildings	1997
Townships	Non residential	March 1996
	Residential	No valuation

Only statutory contributions to reserves have been provided for the 2008/2009 financial year, i.e.:

- Provision for Bad Debt R 79,2 million
- Provision for Leave Reserve R 4.1 million
- Other Reserves R 0,1 million

The assumptions made with regard to the payment factors is supported by Council's commitment to embark on a revenue enhancement strategy for which grant funding in the amount of R2,0 million has been received from CMTF. The entire credit control and debt collection function is currently being reviewed as part of this strategy with the purpose of improving the payment factor and reducing the provision for bad debts.

Free and Subsidised Basic Services

Municipalities play central role in supporting economic development and alleviating poverty. The provision of basic services is critical input to social well being and economic activity. Newcastle Municipality comprises both rural and urban areas as well as wide spread of income groups. Due to variation in living environment, the municipal area has a number of households who currently do not have access to all services.

The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing a social welfare to those residents who cannot afford to pay, because of adverse social and economic realities. The social package will also assist the Municipality in meeting its constitutional obligations.

The estimated cost of social package (income foregone through indigents) amounts to R81.5 million for the 2009/10 budget year. Details of initiatives carried out by Newcastle Council in this regard are detailed below:

Table 47 Social Package

Service	Social Package	Approx Cost R,000
Assessment Rates	All residential property owners are exempt from paying rates on the first R15,000 of the property value. Indigent residents will receive 100% rebates on rates.	12,194
Water	The first 6kl of water is free to all residents qualified as indigents in terms of the policy	16,727

Electricity	The first 50kwh of electricity is free to all residents qualified as indigents in terms of the policy	5,312
Refuse	Refuse is free to all residents qualified as indigents in terms of the policy	17,514
Sewer	Sewer is free to all residents qualified as indigents in terms of the policy	22803
Indigent Support		81,550

The cost of indigent benefit to tune of **R81.5 million** is funded from the equitable share provided by the National Government, which amount is based on the estimated **±22,000** number of indigents currently in the Indigent Register. The indigent applications are continuing to flow at a rate annual growth of 10% which indicates the need to fast track revenue enhancement and LED strategies – to assist with the growing demand on grants and subsidies.

Municipal Financial Plan –

In order to address some of the current financial challenges and specifically ensuring the that there is improved alignment between the municipal IDP and the Budget. This plan is to be complete by May 2010 and will address amongst other the following:

- Financial Viability Assessment
- Establishment of Capital Cost Factors
- Establishment of Maintenance and Operational Cost Factors
- Backlog Eradication Requirements
- Projects Prioritisation
- Costing of IDP Projects
- Projects Prioritisation Model
- Revenue Enhancement Strategies
- Capital Investment Framework

The Municipal Financial Plan is anticipated to not only establish a more direct link between the IDP priorities and the Municipal Budget, but also inform the IDP review process for 2010/2011 . The following challenges and recommendations are made in the Draft Financial Plan :

IDP ALIGNMENT TO FINANCIAL PLAN

To demonstrate the Financial implications to meet National Targets / Goals for Water & Sanitation. Will outline the Financial Requirements linked for High & Low Road Scenario's based on certain assumptions:

- Total Water Backlog of 12 795 Households (14%)
- Total Sanitation Backlog of 29 245 Households (32%)
- 60/40 Allocation between Urban & Rural Population
- Different Costs allocated towards Urban & Rural Bulk Infrastructure
- Different Costs allocated towards Urban & Rural Bulk Reticulation
- High Road – **NM Top-Up Contribution** to eradicate Backlog by 2014
- Low Road – **NM No Contribution** to eradicate Backlog by 2014
- Infrastructure Opex associated with different Type & Level Service Average at 4%
- Human Resource Opex associated with dedicated HR average at 5%
- Opex Knock-On of 9% to meet 100% of Backlogs (Millennium Goal)

Table 48 Low / high Scenarios backlogs

Water	5,118	40%	Unit Cost (Rural)	1,024	1,024	1,024	1,024	1,024	5,118
	Bulk Infrastructure	50%	12,500	12,795,020	12,795,020	12,795,020	12,795,020	12,795,020	63,975,100
	Internal Infrastructure	50%	7,500	7,677,012	7,677,012	7,677,012	7,677,012	7,677,012	38,385,060
			20,000	20,472,032	20,472,032	20,472,032	20,472,032	20,472,032	102,360,160
	7,677	60%	Unit Cost (Urban)	1,535	1,535	1,535	1,535	1,535	7,677
	Bulk Infrastructure	30%	9,500	14,586,323	14,586,323	14,586,323	14,586,323	14,586,323	72,931,614
	Internal Infrastructure	70%	5,500	8,444,713	8,444,713	8,444,713	8,444,713	8,444,713	42,223,566
			15,000	23,031,036	23,031,036	23,031,036	23,031,036	23,031,036	115,155,180
			35,000	43,503,068	43,503,068	43,503,068	43,503,068	43,503,068	217,515,340
Sanitation	11,698	40%	Unit Cost (Rural)	2,340	2,340	2,340	2,340	2,340	11,698
	Bulk Infrastructure	50%	10,500	24,566,438	24,566,438	24,566,438	24,566,438	24,566,438	122,832,192
	Internal Infrastructure	50%	6,000	14,037,965	14,037,965	14,037,965	14,037,965	14,037,965	70,189,824
			16,500	38,604,403	38,604,403	38,604,403	38,604,403	38,604,403	193,022,016
	17,547	60%	Unit Cost (Urban)	3,509	3,509	3,509	3,509	3,509	17,547
	Bulk Infrastructure	30%	8,500	29,830,675	29,830,675	29,830,675	29,830,675	29,830,675	149,153,376
	Internal Infrastructure	70%	4,500	15,792,710	15,792,710	15,792,710	15,792,710	15,792,710	78,963,552
			13,000	45,623,386	45,623,386	45,623,386	45,623,386	45,623,386	228,116,928
			29,500	84,227,789	84,227,789	84,227,789	84,227,789	84,227,789	
			64,500	127,730,857	127,730,857	127,730,857	127,730,857	127,730,857	

- Opex varies towards lesser contribution by Newcastle to meet Targets

High Road Scenario

	Year 1 2009/10	Year 2 2010/2011	Year 3 2011/2012	Year 4 2012/2013	Year 5 2013/2014	Total
High Road Scenario (Water & Sanitation)						
MIG DORA Allocation	70,000,000	80,000,000	90,000,000	100,000,000	110,000,000	450,000,000
NLM Budget Allocation	57,730,857	47,730,857	37,730,857	27,730,857	17,730,857	188,654,284
	127,730,857	127,730,857	127,730,857	127,730,857	127,730,857	638,654,284
				To meet Target of 2014		100%
				NML Average Contribution to Household		5,255
No of Units (Water - Rural)	1,024	1,024	1,024	1,024	1,024	5,118
No of Units (Water - Urban)	1,535	1,535	1,535	1,535	1,535	7,677
No of Units (Sanitation - Rural)	2,340	2,340	2,340	2,340	2,340	11,698
No of Units (Sanitation - Urban)	3,509	3,509	3,509	3,509	3,509	17,547
Accumulative No of Units	8,408	15,281	22,154	29,026	35,899	35,899
Operational Cost (New Infrastructure)	5,109,234	5,109,234	5,109,234	5,109,234	5,109,234	25,546,171 4%
Operational Cost (Human Resources)	6,386,543	6,386,543	6,386,543	6,386,543	6,386,543	31,932,714 5%
	11,495,777	11,495,777	11,495,777	11,495,777	11,495,777	57,478,886
				Allocation towards Operational Costs		9%

- Newcastle Capital requirement of R188m over next 5 Year – 100% Eradication
- Operation Knock-On of R57m over next 5 Years (9%)
- Annual Service Delivery of 8 408 Units collective per Sector (Water & Sanitation)

Low Road Scenario

- Newcastle Capital requirement of **R150m over next 5 Year – 94% Eradication**
- Operation Knock-On of **R54m** over next 5 Years (5%)
- Annual Service Delivery of **7 916 Units collective per Sector (Water & Sanitation)**

The following financial characteristics, issues and challenges impact on the future development of the Newcastle Municipality and need to be taken forward in the IDP Process:

- A need exists to implement a comprehensive strategy for maximising the income of the Council.
- Alternative approaches to obtaining development funds (apart from service charges income and conditional grants) need to be investigated.
- Future expenditure budgeting needs to be guided by a clear vision of the funding responsibility of the Municipality in relation to its allocated functions.
- Introducing new budget processes and procedures and complying with the supply chain management policy.
- Improving the Municipality's cash flow position.
- The introduction of an Asset Management Plan.
- The government policy on free water and electricity.

- The Newcastle Municipality has a large historic debtor role. This will need to be targeted starting with the largest debtors and applying aggressive debt collecting procedures.
- Although tariff policies are in place, these need to be refined to be made fair and equitable to all consumers.
- In Madadeni and Osizweni outstanding debt on rates and services owed to the Municipalities is still very high. In many cases the penalty interest is almost as high as the capital balance outstanding. Although every effort is being made to engage and encourage communities to pay their arrears, the area is faced with high unemployment and many poor people.
- The Municipality has limited bridging capital or counter funding, which poses huge limitations on their ability to initiate projects, especially for new housing projects.
- There still exist a misalignment between the Municipality's development programmes and Provincial MTEFs and are not able to plan or budget ahead.

SECTION C: NEWCASTLE DEVELOPMENT STRATEGIES

C1. Municipal Vision

The Vision of the Newcastle Municipality is :

**“NEWCASTLE MUNICIPALITY –
Together We Can Do it Better”**

Translated into isiZulu, the Vision reads as follows:

“Sisonke – singenza okugcono”

Translated into Afrikaans, the Vision reads as follows :

“Saam doen ons dit beter”

C2. Municipal Position Statement - Mission

The Mission of the Newcastle Municipality is:

**“Newcastle Municipality commits itself to render sustainable services,
promote economic growth and achieve financial stability through
Community Participation”**

C.3 Value System

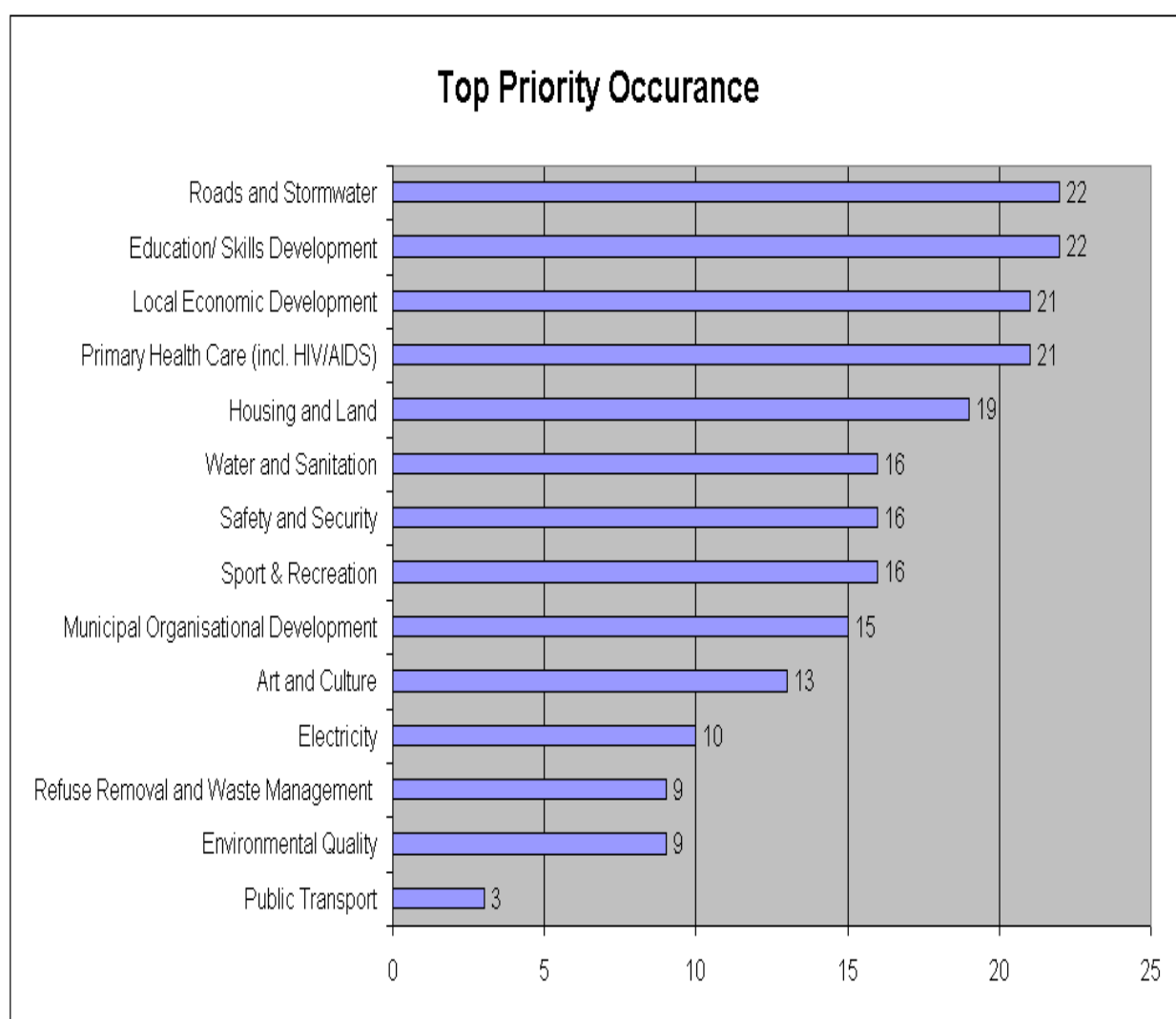
It was considered appropriate to develop and promote organisational culture as follows :

- ❖ **N**ATION BUILDING
- ❖ **E**QUITY
- ❖ **W**ELLBEING
- ❖ **C**USTOMER SATISFACTION
- ❖ **A**CCOUNTABLE
- ❖ **S**USTAINABLE
- ❖ **T**RANSSPARENT
- ❖ **L**EADERSHIP
- ❖ **E**FFICIENT/EFFECTIVE/ECONOMICAL/EXCELLENCE

C4. Newcastle’s Development Priorities

The top priority occurrence identified through ward consultation processes are summarised below-

Table 49 Top Priority Occurance



The above table indicates that 22 wards out of 31 have prioritised Roads and stormwater and Education/skills develop as top priorities, following by LED and Primary Health and so on.

A review of this was not carried out in the year under review as this trend has followed through for the past 5 years. Furthermore, ward committees were re-established in 2009 and consultation at this level was pending induction and training. The focus of the review was therefore on the pilot ward for community based planning being WARD 15.

It should also be noted that communities have become frustrated with year on year identification of needs when the issues remain

the same and the majority of projects will continue being “wish list” projects. The pilot Community Based Plan in Ward 15 funded by Provincial Cogta was therefore pursued in the year under review to emulate in other wards in ensuing IDP Reviews. This will hopefully encourage improved alignment with budget prioritisation processes to inform MTEF’s.

Table 50 Development Priorities

NATIONAL KPA	DEVELOPMENT FOCUS/ISSUE
BASIC SERVICE DELIVERY	Backlog eradication for Basic services (Water, Sanitation, Electricity, Refuse removal, Roads and stormwater & Housing)
	Retaining levels of services
	Maintenance, upgrade and Rehabilitation of infrastructure
LED	High unemployment rate – estimated at 32,4% but could be higher than the provincial rate of 37,6% as at February 2010.
	Approximately 70% of households earn below R1600 per month. Indigent support and grant dependency on the rise
	Closure of factories and relocation of business
	Closure of mines
	Decline in the economy
SPATIAL INTEGRATION AND ENVIRONMENTAL QUALITY	Integrating and developing previously disadvantaged areas
	Maintaining environmentally sensitive areas
	Creating sustainable human settlement
	Air Pollution from local industries
	Mining and illegal mining activities
	Closure and rehabilitation of the Landfill site
	Water resource contamination
	Identification of new and maintenance of cemeteries
	High water table and its impact on VIP’s and cemeteries
	Impact of Natural disasters (Flooding in particular)
	Overgrazing
	Transfer of the environmental health function to the District

NATIONAL KPA	DEVELOPMENT FOCUS/ISSUE
	Greening for sustainable human settlements
FINANCIAL VIABILITY AND TRANSFORMATION	Low Payment Factor and increasing outstanding debtors
	Qualification from Auditor General
	Roll out of universal access to free basic services
	Implementation of Property Rates Act
	Manage the negative implications that the Eskom tariff hike has had on the community
	Implementation of a new financial system
INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	<ul style="list-style-type: none"> ✓ Restructuring not finalized ✓ Delegations not aligned to new structure ✓ Job evaluation process not finalised ✓ Almost 50% of vacant posts not filled - filling of critical posts prioritised ✓ No HR Strategy and need to review HR Policies ✓ IT function not centralized and no IT policies and procedures ✓ Review of the Work Place Skills Plan and Employment equity plan to new structure ✓ Outdated bylaws ✓ Skills retention and attraction of competent professionals for key senior positions
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> ✓ Dysfunctional Oversight Committee/Municipal SCOPA ✓ Effective ward committee Structures ✓ Lack of public participation policies ✓ Lack of communication strategy/policy ✓ Roll out of special programs <ul style="list-style-type: none"> ○ High HiV/Aids prevalence rate of approximately 37 % ○ Addressing Youth, Gender, Elderly and Persons with Disabilities issues ✓ Sector department co-operation (IGR) ✓ Qualification from the Auditor General in respect of the 2008/09 Financial Year ✓ Review of risk assessment strategies and Fraud and Anti corruption policy ✓ Monitoring and reporting (PMS)

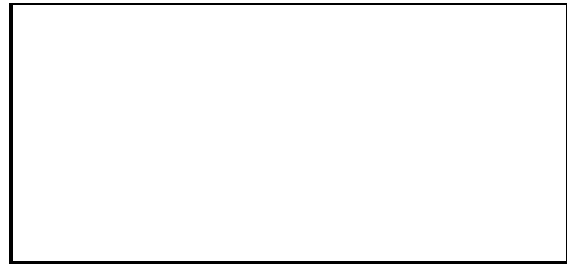
C5. SWOT (Strengths, Weaknesses, Opportunities, Threats)

The following SWOT analysis applies to Newcastle as determined in the principle IDP

Table 51: SWOT

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> • Skilled Human resources • Financially Viable Municipality • Good Governance • Political Tolerance • Existing Infrastructure • Sustainable services • Water Services Authority • Land Availability 	<ul style="list-style-type: none"> • Resistance to Change • Complacency • Structurally inefficient • Communication channels ineffective • Lack of skills administratively and politically • Deteriorating infrastructure • No unity and co-operation between officials and councillors • No respect/dividing walls • Lack of commitment by Politicians to understand council and Government policies • Lack of focus on core functions • Empire building • Lack of sufficient resources Financial, human and IT • Location of offices • Adherence to budget • Lack of productivity • No innovation • Lack of commitment of officials • Officials driving political agendas • Officials undermining Councillors • Lack of Customer Care/No Value System or organisational culture • Bureaucratic environment • Role conflict • Inadequate skills development • Lack of Sector Plans • Lack of an Asset Management Plan • Lack of Internal Audit function
OPPORTUNITY	THREAT
<ul style="list-style-type: none"> • Geographical Location • Vibrant Economy • Growth • Relatively Low crime rate • Proposed Regional Stadium • Tourist attraction • N11 Extension/upgrade • Wetlands • Dunblane Development • Inkwelo Golf Estate • Upgrade Airport • Ferrum Pool • Newcastle Community Radio • Industrial Base • Re-opening of Ngagane Power Station 	<ul style="list-style-type: none"> • Lack of investments • Disinvestments • Interest rates (increasing) • Inflation • Political instability • Unemployment • Emigration & Immigration (rural-urban) • Health (TB, HIV) • Environmental issues (climate change, global warming) • Competitive Edge • Invasion of land • Negative publicity • Geographical Location

- Proposed upgrading Madadeni Regional Hospital/ Police / Court
- Proposed Osizweni Mall
- Casino
- Regional Hub of Northern Natal
- Grant/Donations
- Organised Agricultural and Business sector



C6. Newcastle's Development Strategies

ALIGNMENT TO MEDIUM TERM STRATEGIC FRAMEWORK

In terms of the Medium Term Strategic Framework 2010/11, the following objectives are identified :

- Halve poverty and unemployment by 2014
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
- Improve the nation's health profile and skills base and ensure universal access to basic services
- Improve the safety of citizens by reducing incidents of crime and corruption
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia

ALIGNMENT TO PROVINCIAL PRIORITIES

- Creation of decent work and economic Growth
- Social and economic infrastructure
- Rural Development linked to land reform
- Skills and human resource base
- Improving the nation's health profile
- Fight against crime and corruption

ALIGNMENT TO NATIONAL TARGETS

Minimum Standards requirements for National Targets aligned to the Millenium Development Goals

Basic Service	TARGET
---------------	--------

Water	All households to have access to at least clean piped water 200m from household
Sanitation	All households to have access to at least ventilated pit latrine on site.
Electricity	All households to be connected to national grid.
Refuse Removal	All households to have access to at least once-a-week refuse removal services
Housing	All existing informal settlements to be formalized with land-use plans for economic and social facilities and with provision of permanent basic services.
Unemployment and Poverty	Halve unemployment and poverty through the procurement of services and by using labour-intensive methods to maintain and build infrastructure and municipalities to broaden participation in the local economy and create work opportunities for the poor
Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls, etc	Standards for access for all other social, government and economic services must be clearly defined, planned, and where possible implemented by each sector working together with municipalities in the development and implementation of IDPs.

Various sector plans to inform the achievement of the above targets are in the process of being compiled and/or reviewed

STATE OF THE NATION ADDRESS SUMMARISED

The state of the Nation Address by the President on the 11 February 2010 had the following key features:

- Economic Development
- Infrastructure development
- Human Development Issues
- Social Protection
- Governance and administration
- Justice, Crime prevention and safety
- International co-operation, trade and security

The above features and the interventions informing the Division of Revenue Act is elaborated further on in the document.

LOCAL GOVERNMENT TURN AROUND STRATEGIES

In terms of the above National and Provincial strategies and focus areas, the Newcastle Municipality will be aligning the Local Government Turn around strategies (LGTAS), (submitted to Cabinet in February 2010 and launched in Kwazulu-Natal in March 2010), to address the development challenges identified above. This process is expected to be finalised by April 2010.

The objectives of the LGTAS are:

- **Restore the confidence** of the majority of our people in our municipalities, as the delivery machine of the developmental state at a local level & **make municipalities the pride of our people.**
- **Re-build and improve the basic requirements** for a functional, accountable, responsive, effective, efficient developmental local government.

LGTAS TEN POINT PLAN

1. Improve the **quantity and quality of municipal basic services** to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management.
2. Enhance the municipal contribution to job creation and sustainable livelihoods through **Local Economic Development (LED).**
3. Ensure the development & adoption of **reliable and credible Integrated Development Plans (IDPs).**
4. Deepen democracy through a **refined Ward Committee model.**
5. **Build and strengthen the administrative, institutional and financial capabilities of municipalities**
6. Create a **single window of coordination** for the support, monitoring and intervention in municipalities.
7. **Uproot fraud, corruption, nepotism** and all forms of maladministration affecting local government.
8. Develop a coherent and **cohesive system of governance** and a **more equitable intergovernmental fiscal system.**
9. Develop and strengthen a **politically and administratively stable system** of municipalities.
10. Restore the **institutional integrity** of municipalities.

PRIORITIES PRE-2011

1. Accelerate the service delivery programme on basic services: water, sanitation, electricity, human settlements, refuse removal, roads etc.
2. Address immediate financial and administrative problems in municipalities
3. Regulations to stem indiscriminate hiring and firing
4. Eliminate fraud and corruption in municipalities
5. Ensure & implement a transparent municipal supply chain management system
6. Strengthen Ward Committee capacity & implement new ward governance model
7. Include national and provincial commitments in IDPs
8. Differentiated responsibilities and simplified IDPs
9. Funding and capacity strategy for municipal infrastructure
10. Restructure the Municipal Infrastructure Grant (MIG) & LG Equitable Share
11. Intergovernmental agreement with metros & 21 cities on informal settlement upgrade
12. Rearrange capacity grants & support programmes, including Siyenza Manje
13. Upscale Community Works Programme
14. Implement Revenue Enhancement – Public Mobilisation campaign
15. Launch “good citizenship” campaign, focusing on governance values to unite the nation

NEWCASTLE TURNAROUND STRATEGIES (NNTAS)

A turnaround can be defined as reorganization route which takes place outside the statutory framework with the objective of restoring the health of a company.

“To do more with less – BUT DOING IT BETTER & SMARTER”

Qualities of the Newcastle Turnaround Strategy



Principles for the development of the NNTAS

- An integrated written business plan for an organisation in financial difficulties that serves as a foundation for a rescue operation aiming to restore the long-term viability.
- Four reasons for developing the NN turnaround plan/Strategy:
 - (1) **Focus** – gives clear and integrative picture of what should be done
 - (2) **Compass** – avoids losing track of needed actions to be taken
 - (3) **Performance measurement** – gives quantitative and qualitative goals
 - (4) **Conviction and giving account** – to be used to motivate, inspire and ensure accountability

Turn around approach for NNTAS

- The golden rule :

“Always put yourself in your customer's place “

NEWCASTLE MUNICIPALITY TOP 10 TURN AROUND PRIORITIES

- ❖ Service Delivery (Maintenance existing levels , Rehabilitation of infrastructure and backlogs)
- ❖ Fast Track Sustainable Human Settlements through Housing and Rural Development Program
- ❖ Finalise Consolidated Infrastructure Plan and Capital program implementation
- ❖ Debt Management – increase payment factor
- ❖ Finalisation of Micro Structure, Filling of critical posts & Compliance Minimum Competency levels and training of councillors by 2012
- ❖ Clean Audit 2014
- ❖ Effective functioning of municipal SCOPA
- ❖ Effective and functioning ward committees
- ❖ Anti- Corruption and Fraud Prevention program
- ❖ Halving poverty and unemployment by 2014

NNTAS Turnaround Strategies aligned to National KPA's

Table 52 :NNTAS aligned to NKPA

NATIONAL KPA	TURNAROUND STRATEGY FOCUS AREAS	RESPONSIBLE DEPARTMENT
<p>GOOD GOVERNANCE AND PUBLIC PARTICIPATION / INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION / FINANCIAL VIABILITY</p>	<ul style="list-style-type: none"> ❖ Public Participation and Public Relations <ul style="list-style-type: none"> ❖ Policies and Framework ❖ Functionality of Ward Committees ❖ Systems for communication ❖ Feed back mechanisms ❖ Complaints Management ❖ Front desk interface ❖ CDW's ❖ IGR ❖ Delegations ❖ Councillors Oversight/Municipal SCOPA ❖ High Priority Sector Plan Development ❖ Organisation Structure alignment to IDP ❖ Performance Agreements and evaluations for Section 57's ❖ Special Programs ❖ Labour – Disciplinary procedures ❖ Anti- Fraud and Corruption 	<p>MUNICIPAL MANAGER</p>

BASIC SERVICE DELIVERY		<ul style="list-style-type: none"> ❖ Water , Sanitation, Electricity and Roads <ul style="list-style-type: none"> ❖ Access - BACKLOG ERADICATION ❖ Management and Maintenance ❖ Access to lighting – High Mast Lights ❖ MIG Expenditure ❖ CIP ❖ Technical Capacity ❖ Fleet Management ❖ Skills development ❖ Transfer of electricity to REDS ❖ Stormwater ❖ Infrastructure upgrades ❖ Fire Hydrants 	Technical Services
BASIC SERVICE DELIVERY		<ul style="list-style-type: none"> ❖ Refuse Removal and Solid Waste disposal <ul style="list-style-type: none"> ❖ Backlog eradication ❖ Maintenance of land fill site ❖ Identification of new land fill site ❖ Loss of parking meter revenue ❖ Cemeteries ❖ Unfunded mandates – Section 84 functions 	Community Services

<p>BASIC SERVICE DELIVERY / SPATIAL AND ENVIRONMENT/LED</p>	<ul style="list-style-type: none"> ❖ Backlog/Baseline Study ❖ Non alignment of Basic Services to Housing ❖ Formalisation of Informal settlements ❖ Housing delivery ❖ Tenure upgrade ❖ Alignment of LED to Local, Provincial and National Programs ❖ Re-engineering of LED section ❖ Tourism ❖ SMME development 	<p>DEVELOPMENT PLANNING & HUMAN SETTLEMENTS</p>
<p>FINANCIAL VIABILITY</p>	<ul style="list-style-type: none"> ❖ Revenue Enhancement ❖ Debtors Management ❖ Cash Flow Management ❖ Repairs and Maintenance Provision ❖ Fast tracking Capital expenditure ❖ Clean Audit ❖ Consolidated Financial Statements ❖ Asset Management ❖ SCM ❖ MFMA Compliance and Reporting 	<p>FINANCE</p>

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	<ul style="list-style-type: none"> • Skills development • HR Policies • Filling of posts Section 57's • Filling of critical posts • Skills Audit • WPSP • Functionality of LLF • Employment Equity • Office accommodation • ICT upgrade of infrastructure • Health and Safety • HR Plan 	CORPORATE SERVICES
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NEWCASTLE HIGH LEVEL STRATEGIES

Our high level strategies which have been rationalised since 2006 are :

Table 53 High Level Strategies

NATIONAL KPA	GOAL/OBJECTIVES
Basic Services	Maintain existing levels of services
	Eradicate basic services backlogs in line with resources available to align to National Targets
	Extend services to previously un-serviced areas
	Clarify roles and responsibilities in respect of Powers and Functions
	Develop and /or review sector plans
	Centralise Project Management Unit
Institutional Development and	Finalise restructuring processes (Micro Structure)
	Develop and review HR strategy and/or policies
	Fill critical positions
	Review and implement Workplace Skills Plan and Employment Equity Plan

Transformation	Address competency standards of senior managers
	Finalise additional office requirements
Good Governance and Public Participation	Establish Oversight Committee/SCOPA
	Functional Audit Committee
	Address issues raised by the Auditor General
	Improve Batho Pele and Corporate image
	Enhance communication and feedback processes via Ward Committees and other Fora
	Incorporate and implement LG TAS
Financial Viability	Improve payment factor
	Finalise and implement revenue enhancement strategies
	Finalise and implement Financial Plan
	Fast track implementation of new financial system
	Monitor compliance with MFMA requirements
	Centralise Supply Chain Management Process
Local Economic Development	Mainstreaming of LED
	Review and implement LED Strategy
	Fast track programmes for SMME development
	Develop and implement Marketing and Business Retention and expansion Strategy
	Review institutional options for LED
	Mainstream EPWP to meet National targets
Spatial and Environmental Planning	Develop and/or review SDF and EMP
	Implement Urban Renewal Strategy
	Finalise LUMS
	Develop area based plans for all Primary and secondary development nodes
	Integrate all projects and programmes through the GIS
	Law enforcement for all planning bylaws
	Align and Stimulate investment and economic growth through corridor planning to PSEDS and NSDP

The IDP Priorities identified directly align to the MTSF, Provincial Priorities as areas of intervention and this is addressed through both strategic interventions and operational activities of the municipality. Where the focus area falls outside the competency

of the municipality this is to be facilitated through IGR and sector engagements.

It should be noted that the high level strategies developed since 2006 to present have been rationalised as indicated above. This is to be further aligned to the Local government turnaround strategies during April 2010.

FINANCIAL STRATEGIES

The Financial Strategies as per the Financial Plan have been determined as follows :

- a) **Institutional Financial Strategies** which includes appropriate and affective municipal policies & strategies, organisational structures and planning and administrative systems towards improved capital financial management and service delivery.
- b) **Infrastructural Financial Strategies** directly aimed at improving the financial ability to provide and refurbish infrastructure as well as improve operations and maintenance of infrastructure.
- c) **Financial Resource Strategies**, including revenue enhancement and expenditure management strategies.
- d) **Consumer Management Strategies** aimed at aligning within consumer needs through customer satisfaction and communication and the specific spatial concentration of priority spending to address consumer needs and increase revenue income.

Institutional Financial Strategies

The following strategies and related actions are proposed toward improved financial institutional arrangements:

Table 54 Financial Strategies

Strategic Objective	No.	Action
To ensure that all municipal policies and strategies in line with financial plan strategies and philosophy.	1	Review municipal financial policies in line with GRAP & IDP & Financial Plan Strategies.
	2	Identify non-indigent accountholders registered as indigent and included in the indigent register.
	3	Produce a three-year medium-term strategy of targets linked to CIF realities and review and amend it as necessary on an annual basis.
	4	Ensure compliance to Supply Chain Management legislative requirements.
	5	Ensure national, provincial and district priorities are included in the decision framework.
	6	Completion and Review of all Sector Plans informed by Financial Plan findings and CIF Realities.
	7	Link operational and capital expenditure to SDBIPs and organisational Objectives.
To enhance and maintain organisational capacity toward improved financial management.	8	Complete staff structure together with related job descriptions.
	9	Fill vacant financial positions with appropriately qualified staff.
	10	Training and capacitating existing staff with regard to changing financial environment and context of CIF.
	11	Establish improved operational integration between departments.
	12	Annual analysis of performance trends in terms of operational and capital budget components.
To establish effective financial systems and support infrastructure to enable improved financial management.	13	Replace of current in-house financial system.
	14	Improve management information from current financial system.
	15	Implementation of Valuation Roll to be compiled in terms of the Property Rates Act as property rates is one of the primary sources of revenue to the municipality;
	16	Improve on the quality of the reporting in terms of GARP by all departments.
	17	Launch campaign to reduce current water losses

Infrastructural Financial Strategies

The following strategies and related actions are proposed toward improved financial ability to provide infrastructure and services:

Strategic Objective	No.	Action
To align Infrastructure provision with financial realities and responsible delivery targets.	18	Restriction of water consumption to the indigent thereby allowing for Free Basic Water of 6Kl instead of the current free flow.
	19	Establish standard assessment model to ensure ability to extend new services and recovering of costs thereof.
	20	Establish a matrix of service levels within a spatial context to promote the use of intermediary service level standards subsequently informing the measurable objectives, targets and backlog eradication goals. This should be defined spatially within the Municipal SDF as well as described within the IDP.
To co-ordinate infrastructure refurbishment toward reduced long term expenditure.	21	Formulate an Asset Maintenance and Refurbishment Strategy as a matter of urgency.
	22	Embark on a localised and accurate calculation of the cost of Repair and Maintenance of all types of Infrastructure within the Municipality.
	23	Spatial record of past and planned refurbishments and anticipated impact on capacities and income / expenditure to be completed on an annual basis and incorporated within IDP & SDF.
To streamline cost effective operations and maintenance on all infrastructure.	24	Implement third party pre-paid electricity vending.
	25	Monthly reporting and monitoring of electricity and losses; and water loss management.
	26	Investigations into technological options to reduce losses in services and income (i.e. Leak-Free system).
	27	Conduct updated and complete inventory of municipal assets.
	28	Provision for Maintenance of new assets to be 4 % of the total value of the asset.

Financial Resource Strategies

The following strategies and related actions are proposed toward improved financial resource management:

Strategic Objective	No.	Action
To increase local municipal revenue from various sustainable sources.	29	Rates and increases should take into account the need to address infrastructure backlog.
	30	Tariff increase to respond to DoRA Allocations, Population Growth Rate and Maintenance Requirements.

Strategic Objective	No.	Action
	31	Set annual credible collection rates and collection improvement targets per ward.
	32	Establishment of GIS linkage to rates database to ensure targeted enhancement per ward.
	33	Endeavour to achieve at least two months operating budget in the form of a general reserve backed by cash by 2011. In the interim the Municipality should build accounting and cash balances during a period of low short-term interest rates.
	34	Leverage increased grants from organisations such as the DBSA, the National Lottery and others for major initiatives.
	35	Increase tariffs subject to inflation rate and market tariff trends (ie. Eskom increases).
	36	Establish revenue enhancement PMU.
	37	Identify a comprehensive list of alternative taxes and new surcharges based on feasibility study including, cost effectiveness, impact on community and affordability
To reduce and effectively manage expenditure towards financial stability.	38	"Ring-fence" specific allocations to departments (e.g. MBO Urban Regeneration).
	39	Adapt a balanced budget approach (expenditure cannot exceed revenue).
	40	External loans for capital expenditure need to be limited due its impact on tariffs.
	41	Introduce key performance indicators relating to cash and cash management.
	42	Implement Credit Control Policy.
	43	Develop budgetary systems that increase ownership of the budgetary process by departmental heads.
To align budgetary planning to improved financial management.	44	Continue to develop a budgetary system that projects at least three years in advance from the forthcoming year. This is in line with the recommendations of the MFMA.
	45	Confirmation of the 2010/11 priorities and targets as well as the budget baseline allocations per main function.
	46	Confirmation of the use of intermediary service level standards subsequently informing the measurable objectives, targets and backlog eradication goals.
	47	An analysis of performance trends in terms of operational and capital budget components, with specific attention being given to underperforming functions/strategic units.
	48	Detail business plans for major expenditure within the 2010/11 budget to be finalised by the end of April

Strategic Objective	No.	Action
		2010. No project plan, no budget.
	49	Actively engage with REDS in order to protect the asset/ income base of the municipality.

Consumer Management Strategies

The following strategies and related actions are proposed toward improved consumer management:

Strategic Objective	No.	Action
To improve customer communication and service satisfaction.	50	Initiate broader communication and participation campaign.
	51	Educating customers towards increased service payment.
	52	Redesign customer care process.
	53	Ensure long term tariff planning on all services in order to sustain reasonable price stability for customers.
	54	Ensure continued and functional Ward Committee structures.
To spatially target priority expenditure in areas of need and development potential.	55	Clear spatial concentration of expenditure in line with NSDP strategies of areas with highest need and areas of economic and revenue potential.
	56	Set annual credible backlog eradication and service delivery targets.
	57	Community identified project (even in IDP context) to be technically assessed before inclusion into IDP.
	58	Develop intelligence on customer segments and develop segmented operation model

In the interest of ensuring that the proposed strategies are implemented as a matter of urgency, each action has been allocated to a specific internal department to attend to as well as prioritised in terms of timeframes for implementation.

Asset Management Plan

The Asset Management Plan is pending the finalisation of the Asset Register and Asset Policy. This process is anticipated to be finalised by the end of May 2010.

The asset value summary has been determined as follows :

Table 55 Asset Value Summary

	Electricity Assets	Roads Assets	Transport Assets	Minor Assets
Current Replacement Value	1 274 681 161	3 195 948 066	31 953 865	37 939 250
Reflected Impairment of Assets	1 124 584 856	2 070 412 922	8 512 892	9 476 320
Fair Value	150 096 305	1 125 535 144	23 440 973	28 462 930
Date of Valuation	30 June 2009	30 June 2009	30 June 2009	30 June 2009

C6. Strengthening Sustainability within the IDP Process –

Strengthening the concept of sustainability within the Newcastle IDP has become a key priority within this review and it was mainly incorporated within the process itself rather than a separate development issue. The actual role of the municipality towards sustainable development was considered and then the concept was incorporated within the key phases by asking key questions during each phase and adapting the process and / or outcomes where appropriate and required.

Challenges of strengthening Sustainable Development in the IDP process

As indicated, the concept of sustainability is newly incorporated within the process of IDP formulation and as such, there are a number of challenges to the strengthening of sustainability within the IDP process. These challenges include:

- Gaining a practical understanding of the meaning of sustainability amongst all sectors, that is applicable to the specific context of the municipality;
- Ensuring strong political support for the strengthening of sustainability in both the planning and implementation of the municipality's IDP;
- Developing the skills required to ensure the sustainability of strategies and projects within the IDP process;
- Ensuring that there is adequate human and financial capacity within the municipality to effectively plan, implement and manage interventions for the strengthening of sustainability;
- Developing the institutional structures required for a cross-sectoral approach to addressing sustainability issues;
- Obtaining the baseline information concerning the current state of the environment and defining the limits of acceptable change of social, economic and biophysical resources;
- The identification of appropriate indicators and the development of an effective monitoring system;
- Making trade -offs between the various elements of sustainability (i.e. social, economic and biophysical concerns) that will lead the municipality towards its vision of a desirable future; and

- Developing and implementing strategies and projects that may not show short-term gains, but may assist the municipality in moving towards sustainability.

Meeting these challenges is likely to involve a process of continual Improvement and will constantly be addressed within future IDP reviews.

Monitoring and evaluation and Review is a continuous process being implemented as part of the Performance Management System

A Draft Public Participation Policy(Annex ???) aligned to the restructuring of the IDP Representative Forum into a holistic Public Participation Forum has been published for Comment.

The municipality is also in the process of finalising its Communication Strategy Annex)???.

Of importance is the move of the municipality to revenue based budgeting and customer focus as part of its budget reform process, speeding up LED interventions, poverty alleviation, skills development, SMME development and "Sebezele Ekhaya" which is to be launched shortly. The need to intensify and mainstream EPWP the the "Sebenzele Ekhaya" program through the MIG and Operating and Capital Program is being fast tracked.

SECTION D: HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK(SDF)

1. Introduction

The Spatial Development Framework (SDF) for Newcastle Local Municipality (NLM) has been compiled to support the development vision, and sectoral objectives and strategies identified in the NLM's Integrated Development Plan (IDP).

In terms of Section 26(e) of the Municipal Systems Act (Act No. 32 of 2000), the SDF is a legally required component of the Municipality's IDP. Whilst the full SDF document is available as a standalone report, this section serves to focus on the key elements contained in that report, which identify the desired spatial form of Newcastle Municipality.

Once approved by the Municipal Council, the Newcastle Municipality SDF has the status of a statutory plan, serving to guide and inform all decisions on spatial development and land use management in the area to which it applies.

However, it is critical to understand that the SDF is not a comprehensive, blueprint plan. Rather, in line with a new, more flexible conception of spatial planning and its interrelationship with other (spatial and non-spatial) development processes prevailing in South Africa now, the Framework is indicative in nature and not, in the final instance, prescriptive.

Following the direction of the White Paper on Wise Land Use: Spatial Planning and Land Use Management (Department of Land Affairs, 2001), the SDF is intended to:

- Function as a strategic, indicative and flexible forward planning tool, to guide decisions on land development;
- Develop a set of policies and principles, and an approach to the management of spatial development in the Newcastle Municipality area, which is clear enough to guide decision-makers in dealing with land development applications (i.e. it will serve to inform the formulation of a new Land Use Management System);
- Provide a clear and logical framework for spatial development by providing an indication of where the public sector would, in the first instance, support certain forms of development and where state investment is likely to be targeted in the short – medium term;

- Based on this, to provide a clear spatial logic that would facilitate private sector decisions on investment in the built environment;
- Facilitate the social, economic and environmental sustainability of the area; and
- In the rural context, provide a framework for dealing with key issues such as natural resource management, land reform, subdivision of rural land and the conservation of prime and unique agricultural land.

2. Purpose of the SDF and its relationship with a Land Use Management System (LUMS)

The main purpose of an SDF is to guide the spatial form and location of future developments within the municipality. In so doing an SDF must attempt to address the spatial imbalances created during the Apartheid period. Another purpose of an SD is to give spatial effect to multi-sectoral projects identified in the IDP as well as assist the municipality to co-ordinate the implementation of the various sector plans.

The SDF should be flexible and able to change to reflect changing priorities, whereas the Land Use Management System (LUMS) should be less flexible and only amended where required for a particular development. Rather than act as the direct source of rights and controls, the SDF should inform the content of the LUMS, in this regard the SDF should :

- Only be a strategic, indicative and flexible forward planning tool to guide planning and decisions on land development;
- Develop an argument or approach to the development of the area of jurisdiction which is clear enough to allow decision-makers to deal with the unexpected;
- Develop a spatial logic which guides private sector investment;
- Ensure the social, economic and environmental sustainability of the area;
- Establish priorities for public sector development and investment; and
- Identify spatial priorities and places where public-private partnerships are a possibility

In the rural context it is necessary to deal specifically with natural resource management issues, land rights and tenure arrangements, land capability, subdivision, consolidation of farms and the protection of prime agricultural land.

The purpose of the SDF is not to infringe upon existing land rights but to guide future land uses. No proposal in this plan creates any land use rights or exempts anyone from his or her obligation in terms of any other act controlling land uses. The SDF maps should be used as a

schematic representation of the desired spatial form to be achieved by the municipality in the long term.

3. Key Informants of the Spatial Development Framework

For the purposes of the Newcastle Municipality SDF, the key legislative and policy elements of this new approach to spatial planning are derived from: -

- The Constitution
- The Municipal Systems Act (Act 32 of 2000);
- The Development Facilitation Act (Act 67 of 1995) (DFA);
- Land Use Management Bill (2003);
- National Environmental Management Act (1998);
- National Transport Transition Act, 2000
- Housing Act 107, 1997;
- Planning and Development Act (2008);
- National Heritage Resource Act, 1999
- Biodiversity Act, 2004
- The White Paper on Wise Land Use: Spatial Planning and Land Use Management (March 2001); and

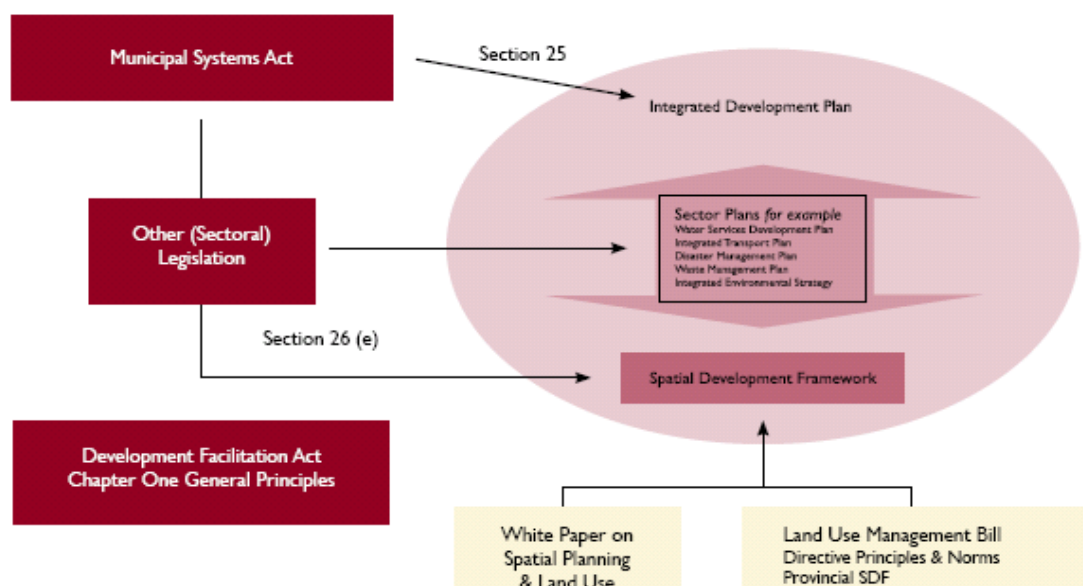
The above laws and policy documents provide the foundations for establishing the parameters of a SDF. As such, these are the principle informants on matters of policy for the NLM and, in the case of the enacted laws, the Municipality is legally obliged to apply their provisions when engaging in spatial planning and land use management.

In addition, the SDF is materially informed by the outcomes of completed and ongoing Sector Planning processes within the NLM and the Amajuba District Municipality (ADM).

The diagram below illustrates conceptually the relationships between the SDF, its various policy and legislative foundations, and the IDP (including its sectoral components – or Sector Plans): -

Figure 24 Legal Policy Concept of SDF

Figure: The Legal and Policy Context of the SDF



3.1. National Policies: The National Spatial Development Perspective (NSDP)

In terms of policies at the national level the policy document most directly affecting spatial planning is the National Spatial Development Perspective, prepared in 2003. National government provides the legislative framework for joint intergovernmental effort aimed at achieving the key developmental objectives of government. Newcastle Municipality is charged with the responsibility for being a developmental local government whose core business is to respond to socio-economic challenges in strategic and developmental ways. Newcastle Municipality aligns its development to improve service delivery and economic growth and job creation. This document outlines a spatial vision for the whole of South Africa and outlines strategies to achieve the vision.

The NSDP Vision is as follows:

"South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives:

- By focusing economic growth and employment creation in areas where there this is most effective and sustainable
- Supporting restructuring where feasible to ensure greater competitiveness

- Fostering development on the basis of local potential; and
- Ensuring that development institutions are able to provide basic needs throughout the country”

The strategies to achieve this are as follows:

- Investing in people not places – “In order not to discriminate against people who are currently locationally disadvantaged, it is proposed that Government seek to address these inequities by maintaining the current distribution of fiscal resources to these areas, but that this investment is shifted into less fixed assets. This could mean that only a very basic level of infrastructural services is provided and that an additional amount of money goes into skills development, labour market information, and other resources that will enable those living in these areas to become more mobile.” (NSDP: 27, 2003)
- Re-assessing government subsidies to address the disjuncture between settlement and economic policies – i.e. providing subsidies only to those areas with economic potential. (NSDP:29, 2003)
- Acknowledges that there will be continued pockets of unbalanced growth in the medium to longer term in the interests of overall equity.
- The mismatch between economic development and SA’s natural resources - the document proposes that public investment/subsidies must favour those areas that have comparative advantage in the use of scarce resources. (NSDP: 32,2003)
- Globalisation and sustainability
- Focusing Infrastructure investment on appropriate levels of service
- Maintenance versus new investment
- Measuring the potential of different localities

IMPLICATIONS FOR THE SDF

The SDF is in line with the following principles of the NSDP:

- *The provision of basic services to all citizens wherever they are located;*
- *Government spending should be focussed on localities of economic growth or economic potential;*
- *Efforts to address past and current social inequalities are focussed on people, and not on places;*
- *To overcome the spatial imbalances of Apartheid, future settlement and economic development opportunities are channelled into activity corridors*

and nodes that are adjacent to or link to the main centres.

3.2 Provincial Spatial Economic Development Strategy (PSEDS)

i) Introduction

The PSEDS is intended as a guide to service and to achieve the goals as set out in ASGI-SA which is to halve unemployment and poverty by 2014.

ii) Classification of areas of economic potential

Four key sectors have been identified as drivers for economic growth in the province, namely:

- The agricultural sector (including agri-processing) and land reform;
- The industrial sector;
- The tourism sector;
- The service sector.

iii) Classification of areas of poverty and need

The PSEDS identifies poverty levels and densities based on the 2001 Census information. Poverty density is a measure of the numbers of people within an area below the poverty level. In terms of their classifications relating to poverty, Newcastle has the third highest levels in the province behind eThekweni and the Msunduzi municipalities.

iv) Classification of nodes and activity corridors

In terms of the classification of nodes provincially, Newcastle is classified as a **Secondary Node** which is an urban centre with good existing economic development and growth potential, and which services the regional economy. In terms of the main categories for potential the PSEDS identifies the following:

- *Production of high value differentiated goods which are not strongly dependant on labour costs, and which are focused on local and global markets;*
- *Production of labour intensive, mass produced goods which are more dependant on labour costs and affordable transport linkages*
- *Retail and private sector services which are large employers of skilled and semi-skilled workers in advanced economies.*
- *Tourism which is dependent on tourism attractions; and;*
- *Public service and administration.*

In terms of the classification of activity corridors, the N11 corridor is identified as an exiting corridor which runs straight through the Newcastle Municipality. However the PSEDS identified a secondary corridor (SC12) which runs between the centres of Greytown, Masinga and Madadeni. The latter is situated within the Newcastle Municipality. The PSEDS identifies that this corridor has potential in the following areas:

- *Production of labour intensive, mass produced goods which are more dependent on labour costs and affordable transport linkages;*
- *Retail and private sector services which are large employers of skilled and semi-skilled workers in advanced economies.*
- *Tourism which is dependent on tourism attractions; and*
- *Public service and administration.*

v) *Cluster priorities and objective relevant to Newcastle Municipality*

The PSEDS provides a summary of high level cluster priorities and objectives for the Newcastle Municipality and are as follows:

Agriculture and land reform

- *Livestock farming: develop livestock farming opportunities in Trust Land;*
- *Support land reform beneficiaries-livestock, game farming and explore others.*

Tourism

- *Battlefields Route: development of linkages to benefit previously disadvantaged;*
- *Drakensburg eco-tourism: develop cultural tourism opportunities with bordering communities.*

Industry

- *Newcastle industrial townships: provision of world class infrastructure;*
- *Provide adequate affordable housing and related services;*

Services

- *Provide adequate affordable housing and related services in towns.*

Accordingly, the map below illustrates the locality of the primary and secondary nodes identified within the province. In terms of the PSEDs, Newcastle is identified as a secondary investment node, clearly with the potential to address some of the poverty concentrations found within the area.

IMPLICATIONS FOR THE SDF

The Greaytown, Msinga, Madadeni corridor (SC12) is identified as a secondary corridor. The SDF seeks to develop this further:

- *In terms of industrial development this corridor consist of two formal settlements within the Newcastle Municipality. The SDF seeks to develop this further as the p483 is identified as a mixed use activity corridor.*

- *To overcome the spatial imbalances of Apartheid, future settlement and economic development opportunities area channelled into activity corridors and nodes that are adjacent to or that link the main growth centres (Newcastle, Madadeni JBc and Osizweni)*

3.3 The Provincial Growth and Development Strategy (PGDS)

The KwaZulu-Natal province has a crucial role to play in ensuring that, among others, Newcastle SDF contributes to sustainable development of the province as a whole. The provincial priorities of KwaZulu-Natal provide broadly focused, longer-term direction, incorporating a five-year action agenda in the Provincial Growth and Development Strategy. The municipality is aligning its local planning with that of the province.

- The PGDS is a strategy developed by the KwaZulu Natal Provincial Cabinet out of the National policies and strategies, Provincial strategies and Local government plans. PGDS typically contain an indication of the various development potential in the province broken down to a district level, the province's proposed economic growth trajectory and an indication of the sectors and the areas of comparative advantage in which the province plans to invest. Prepared within the ambit of cooperative government the PGDS, in much the same way as the IDP, provides an arena for intergovernmental debate regarding the implications of other strategies and plans in government. It also enables the three spheres to not only be involved in the preparation of the PGDS, but also to align infrastructure investment and development spending decisions, such as those captured in the IDPs and sector plans, to link these to budgets, and to collectively play a part in their implementation. The PGDS targets a five-year plan but its priorities speak to long-term objectives (2014).
-
- The focus is basically on eliminating unemployment and alleviating poverty, where there is a far more equitable distribution of income and where peace, security and stability prevail. The Newcastle Municipality's Spatial Development Framework is aligned with the PGDS in that the SDF proposes the maximum use of available resources within the area in order to create a viable environment. The SDF also proposes to make use of available land to create clusters, which will establish a local economy that will eradicate poverty, creating new opportunities for local communities.
-
- The municipal SDF is aligned to the PGDS because the outcomes that the municipality wants to realize are in line with the provincial priorities. The provincial priorities are (PGDS, Summit 2004)
- Integrating investments in community infrastructure
- Strengthening governance and service delivery
-

IMPLICATIONS FOR THE SDF

- *The SDF aligns with the following provincial priorities:*
- *Strengthening governance and service delivery;*
- *Sustainable economic development and job creation;*
- *Integrating investment in community infrastructure.*

- In order to address challenges that Newcastle is faced with and to provide foundation for equitable spatial and economic growth, the City has determined a development path based on a 5-year Integrated Development Plan (IDP) and a number of aligned sectoral and local plans. These are outlined in the following table.

Table 56 Hierarchy of Plans

• DOCUMENT	• DESCRIPTION
• Provincial Growth and Development Strategy (PGDS)	• Province's long term strategic plan introduced to guide the City's planning and implementation
• Integrated Development Plan (IDP)	• The Integrated development Plan is the principal strategic planning instrument guiding and informing all planning, management, investment, development and implementation decisions and actions of a city
• Spatial Development Framework (SDF)	• The Spatial Development Framework is a key legislative mechanism and integral component of the IDP and provides a Citywide perspective of spatial challenges and interventions
• Sectoral Plans	• The sectoral plans provide the framework for the future planning and management envisaged within a specific sector.
• Precinct Plans	• Precinct plans are detailed development management guidelines prepared on a neighbourhood level. Recognise opportunities/mitigate against constraints. These provide finer detail planning proposals.

4. Spatial Development Vision

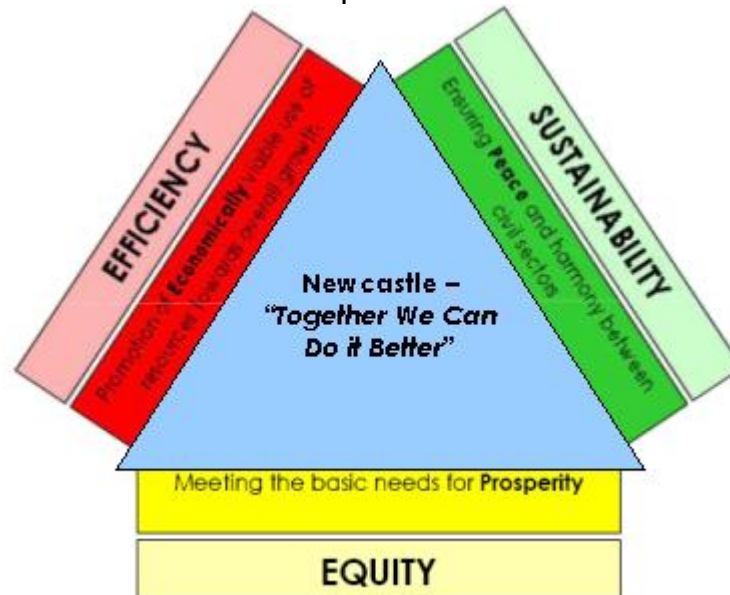
During the 2006/2007 review of the Newcastle IDP, the **Vision** for Newcastle Municipality was revised to read as follow:

Newcastle - "Together We can Do it Better"

As the central future concept for development within the municipality, this vision needs to be translated spatially in order to ensure the development of land as well as the future management of all resources

all work towards the achievement of this vision and does not contradict it.

In translating the development vision of the municipality, the core elements of the vision is firstly identified and then expressed in terms of spatial concepts, responsibilities or challenges. The entire Spatial Development Framework which then follows should ideally be structured and linked to these **core spatial challenges** based on an interpretation of the overall development vision as illustrated below:



The resulting spatial challenges can be described as follow:

THE SPATIAL CHALLENGES

SPATIAL EQUITY refers to the fair distribution and access to land resources. It also recognises that the playing field is not always level in the competition between various land users. In order to ensure fair and equitable spatial development, it may be necessary to take special measures to remedy the disadvantages and promote equity of space in line with the principles of the Development Facilitation Act. The main responsibility of spatial equity is to ensure that all land users have the opportunity to use suited and available land to address their basic needs and requirements for *prosperity*.

SPATIAL EFFICIENCY refers to the most economical and viable means of achieving spatial development within the limitations of available resources. Efficient and strategic spatial planning should ensure the co-ordination and the resolution of conflicts between competing activities, while strengthening market access and unlocking development opportunities crucial for *economic growth*.

SPATIAL SUSTAINABILITY implies a sense of balance, between the key activities found on land. A continued balance between economic

development, social development and environmental development should be sought in all development actions. Practically this will imply that cognisance should be taken of the impact of any development in any one sector on the other two sectors to ensure continued *peace* and harmony.

These challenges are crosscutting in nature and needs to addressed within all the development sectors identified, within all of the development priorities as well as within all geographical areas of the municipality; urban as well as rural settings. Thus these three spatial challenges will form the basis of the entire Spatial Development Framework in order to achieve the municipal development vision.

5. Spatial Development Issues and Objectives

As indicated before, the core spatial challenges of the Spatial Development Framework would be to ensure spatial equity, efficiency and sustainability. However, current practices do not always promote these concepts and it is therefore vital to identify in which manner current trends does not impact on the achievement of these responsibilities and the eventual realization of the Vision.

The key spatial issues to be addressed can be summarized as follow:

EQUITY	EFFECIENCY	SUSTAINABILITY
1. Provision, upgrading and maintenance of key distribution routes .	1. Provision, upgrading and maintenance of key distribution routes .	1. Plan service standards in line with economic and environmental affordability .
2. Promotion of economic activities in closer proximity to the unemployed .	2. Infill planning is required to make the delivery of services more cost effective.	2. Conservation and maintenance of infrastructure and resources are better than replacement.
3. Clustering of social and community facilities at more accessible points.	3. Stimulation of economic districts and nodes to promote sufficient market thresholds.	3. Fragmented spatial structure causes sprawl and should be countered.
4. Promotion of	4. Planning around	

private sector investment in disadvantaged areas.	bulk capacities to ensure more cost effective developments.	4. Planning should promote the sustainable use of resources , rather than exclusion of use.
5. Spatial focus of resources to redress inequalities in services standards and quality of life.	5. Promotion of economic opportunities in close proximity to residential functions (where sustainable).	5. Improved land management measures to control potential conflicts are required.

Table 57 Key Spatial Issues to be addressed

In order to address the above issue, a set of objectives have been formulated, based on a review of the objectives and strategies contained in the approved Newcastle Integrated Development Plan and represent a spatial refinement thereof as follow:

Development Sector	Objectives
SPATIAL DEVELOPMENT	<ul style="list-style-type: none"> • Promote a compact urban structure through urban infill and densification • Create a logical hierarchy of settlements to support effective service delivery • Create an urban edge to contain urban sprawl
HOUSING	<ul style="list-style-type: none"> • Identify sufficient land for future housing development • Quantify housing backlogs and future needs • Locate new housing development within a rational urban structure and urban development boundary to ensure sustainable development
ENVIRONMENT	<ul style="list-style-type: none"> • Protect ecologically sensitive natural areas • Create a municipal open space system, comprising ridges, mountains, rivers and dams • Respect the flood lines of the major rivers and dams • Respect the conservation guidelines for Nature Reserves

Development Sector	Objectives
TRANSPORT	<ul style="list-style-type: none"> • Focus urban development along major public transportation routes to establish transport corridors • Public transport access points (drop-off/ collection points) should be located at service delivery centres
SERVICE INFRASTRUCTURE	<ul style="list-style-type: none"> • Locate urban development, specifically housing development, within reach of bulk municipal services • Inform the future planning and delivery of bulk municipal services
COMMUNITY FACILITIES	<ul style="list-style-type: none"> • Settlement development must include the full range of community facilities to ensure viable and sustainable living environments • Community facilities must be clustered with business facilities in service delivery centres • Service delivery centres should be located in such a way that ensures equitable access for all communities • Community facilities must be provided according to accepted planning and development standards and guidelines

Table 58 SDF Objectives by Development Sector

6. Spatial Development Strategies

Although the current spatial pattern is inefficient and expensive, one has to admit that it is a fixed spatial pattern. Therefore, the aim should not be to alter the existing spatial structure, but one should rather guide its future development towards a better, more efficient and more cost-effective urban structure. In short, one should start addressing the weaknesses of the spatial structure through the planning and development of its future growth. Five strategies can be adopted to achieve this:

Strategy 1: Urban integration

One should move away from the fragmented and sprawling urban structure existing within the areas of Madadeni and Osizweni.

Consolidating all the existing outlying settlements with each other and the business core area should achieve this. This can be done by filling in the unpopulated areas between these settlements with the future growth of these settlements. By doing this, the settlements will join together and towards the business core area, forming consolidated urban areas. Such an integrated urban structure will form the bases for providing cost-effective municipal services and public transportation infrastructure. It should however be noted that the position of the relatively large industrial area of Newcastle, this integration path will need to stretch fairly wide towards Ngagane or join up at Hilddrop/Arbor park.

Strategy 2: Bulk infrastructure development

Providing bulk infrastructure can be an important tool to achieve the above-mentioned spatial pattern and will, in turn, result in cost savings when developing the bulk infrastructure. All future bulk infrastructure should be developed within the urban areas described above; because where bulk infrastructure is developed, urban development will follow. In this manner, bulk services will force future urban development into a more rational and desirable urban pattern. At the same time, the location, implementation and functioning on the bulk services network will be rationalised.

Strategy 3: Equitable access to social services

As was mentioned, the settlements located on the outskirts of the Municipal Area are located far from the social services provided in the Newcastle core area. This results in high public transportation cost for the poor living in these areas to access these services. It is imperative that a number of these social services be provided in these outlying settlements through the development of Service Delivery Centres. A hierarchy of such SDCs, containing facilities such as clinics and community centres, will place these facilities closer to these settlements, thus making them more accessible and achieving greater urban integration.

Strategy 4: Land use and transportation integration

In South Africa, public transportation costs make up a large proportion of household incomes, a cost that is augmented by

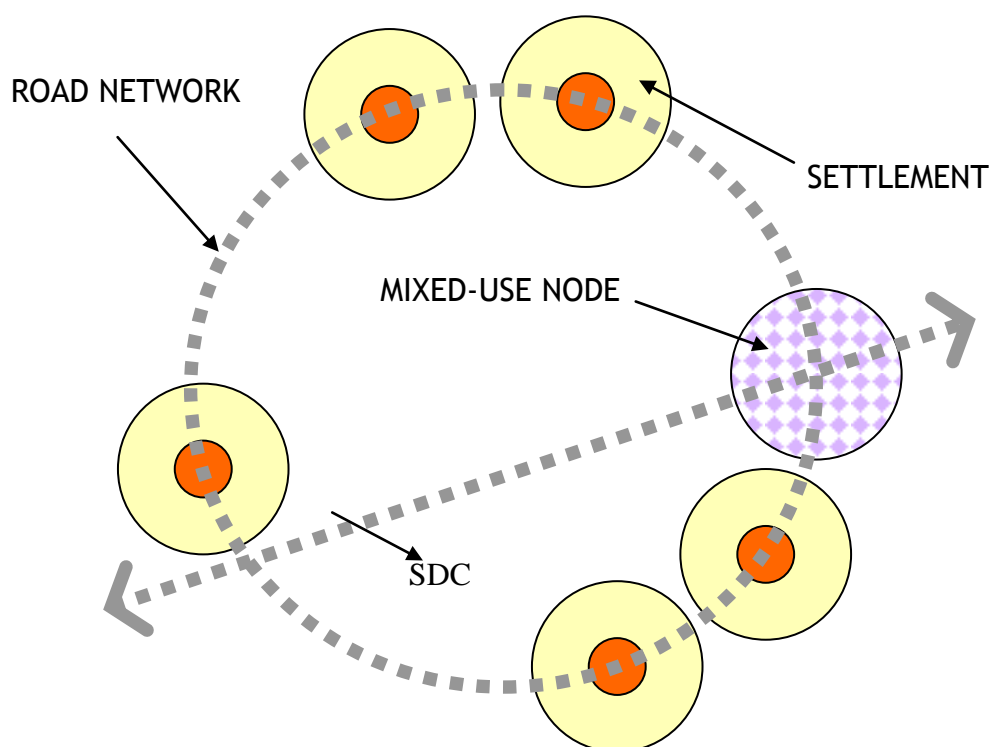
the sprawling nature of our cities. Land use development and public transportation are therefore interlinked and affect each other greatly. Urban corridors create the optimal land use structure for the cost-effective operation of public transport systems. Public transportation works most effectively in a linear pattern, as opposed to winding its way through a widespread urban area. Such a linear land use pattern also benefits commuters, because it implies that residential settlements hug the corridor road or railway line, placing commuters within short walking distances of such public transportation termini.

Strategy 5: Protection of agriculture and open space

A way to integrate urban areas is to deliberately protect high-potential agricultural areas and ecologically sensitive natural open spaces. By rigorously protecting such areas, urban areas are prohibited to sprawl freely and are therefore forced into denser urban agglomerations. Therefore, such an approach not only protects agriculture and the environment, but also helps create a more rational, cost-effective and manageable urban structure.

7. Conceptual Approach to Spatial Elements

The aim of the Development Concept was to formulate the desired spatial structure for Newcastle. Consequently, it is important that the Development Concept adheres to the principles of land use and transportation planning. It does this for two reasons. Firstly, it proposes urban corridors aligned along public transportation routes, thus promoting higher densities along these transportation routes. Secondly, it proposes a hierarchy of Service Delivery Centres (or SDCs) along these corridors, thus creating opportunities for mixed land use around transportation bus stops and taxi ranks.



The spatial outcome of the Development Concept will be development corridors shapes like a string-of-beads, which concentrates development at intersections or transit stops along public transport routes. Because this configuration concentrates urban development along the transportation routes, it manages sprawl and therefore exhibits a degree of environmental and agricultural conservation.

7.1. Service Development Centres

Four types of SDCs are proposed for Newcastle Municipality: 1st, 2nd, 3rd and 4th order SDCs, as well as Rural SDCs.

SDC Type	Threshold population	Access Intersection	SDC area
1 st order	> 100 000	Collector & commuter line & rail	- Newcastle CBD. - Proposed JBC CBD
2 nd order	< 100 000	Distributor & collector	- Emerging Northern business Exten. - Emerging Southern Business Extens. - Madadeni business district. - Osizweni business district

SDC Type	Threshold population	Access Intersection	SDC area
3 rd order	< 20 000	Distributor & collector	- Lennoxton -Charlestown
Rural	< 10 000	Distributor & distributor	-Ngongo - Leokop

Table 59 Service Delivery centres

Specific preferred land use outcomes at the above localities are outlined in the full SDF. These form part of the Land Use Management Guidelines required in terms of the Municipal Systems Act.

7.2. Development Corridors and Mobility Routes

Four development corridors and Mobility Routes were identified in Newcastle. These development corridors and mobility routes must become the primary vehicles for the establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- a. N11 Primary Mobility Route
- b. R34 Secondary Mobility Route
- c. P483 Mixed-used Activity Corridor
- d. Allen Street Mixed-used corridor

7.3. Nodal Structure

In terms of the PSEDS Newcastle has been identified as secondary investment node with a number of nodes and potential nodes within. This can be linked to the settlement hierarchy identified in the situational analysis. This nodal structure is as follows:

Type of Node	Area
A Secondary Investment Node (PSEDS)	-Newcastle
B Primary Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
C Secondary Node (Municipal SDF)	-Emerging Northern Business extension (Amajuba Mall & surroundings) -Emerging Southern Business extension

	(Casino Development and surroundings) -Madadeni CBD -Osizweni CBD
D Tertiary Node (Municipal SDF)	-Charlestown -Lennoxton
E Rural (Municipal SDF)	-Ingogo -Leokop
F Amajuba Nodal Policy Development Nodes (District SDF)	-Dunblane node -Normandien Pass Node -Muller's Pass Node -Ingogo / Botha's Pass Node

Table 60 Nodal Structure

7.4. Open Space System

An open space system fulfils a number of functions. These functions include hazard avoidance, resource conservation, ensuring social well-being and educational. These functions of an open space system are listed in more detail in Table 6.

Hazard avoidance	Resource conservation	Recreational and psychological	Educational
Open spaces must reserve flood prone areas.	Open spaces must protect water sources.	Developed and maintained open space must be provided for recreational purposes.	Open spaces must be protected for environmental education purposes.
Open spaces must reserve steep slopes and geologically unstable ground.	Open spaces must protect linked areas of conservable indigenous vegetation.	Open space must be provided for social interaction and as symbols of community identity.	Well-equipped and designed open spaces must be provided for sport education.
Open spaces should protect drinking water sources from being contaminated.		Open spaces	

		must be protected for psychological relief from the stresses of urban live.	
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Table 61 • Functions of an Open Space System

As mentioned in the situational analysis, open space and recreation within the Municipal Area can be divided into 2 categories: passive and active open space. Proposals for Newcastle urban areas are made according to these categories.

Passive open space consists of land that is unsuitable or undesirable for urban development due to certain topographical or ecological constraints. The open space system of the Municipal Area must include the following elements:

a. Water Sources

The conservation of passive open spaces that contain watercourses is of specific importance. The natural drainage channels and banks of these rivers and dams must be protected up to the 100-year flood line. Sanitation systems must be provided in settlements located close to these water sources to avoid the pollution of these water sources by sewerage and other harmful effluents.

b. Mountainous Areas

The tail of the Drakensburg stretches in a north-south direction across the western area of Newcastle. This mountain range is also a primary visual and structuring element within the Municipal Area. For these reasons this mountain range must be protected and form part of the municipal wide passive open space system.

Active open space involves the recreational component of the open space system. It provides sport facilities at settlements for use by local clubs and schools. Correctly located, well-developed and maintained recreation facilities can be an asset for the people of Newcastle. Formulating principles for the development of active open space can help ensure that standards of quality and usefulness are achieved in the planning, design and management of such spaces.

7.5 The Urban Edge

An urban edge is demarcated for the Municipal Area as part of the SDF. The proposed urban edge, which is illustrated on Map 1, was demarcated using the following guiding principles:

- The containment of the urban sprawl and the promotion of infill and densification
- The creation of urban corridors along public transportation routes
- The future municipal housing need and associated land required, as calculated in the Land Use Budget.
- The cost implications of establishing new infrastructure for new township developments
- Taking into consideration unsafe geological conditions
- The conservation of environmentally sensitive areas
- The protection of high-potential agricultural land

A guideline for the type of land uses to be allowed inside and outside of the urban edge are depicted in the table below. As a rule, the urban edge applies to all developments requiring a township establishment application.

Inside urban edge	Outside urban edge
Urban settlements Rural settlements Business and office nodes Industrial and commercial areas Governmental uses Urban agriculture	Extensive and intensive agriculture areas Conservation areas and nature reserves Tourism facilities and related activities Rural services (social & economic) Agricultural holdings Communal farms Mines

The Urban Edge for Newcastle aims to contain urban development along the development corridors proposed in the Development Concept. In addition, it largely aims to prohibit urban sprawl into the intensive agricultural areas around Ncandu River and towards the productive agricultural land. A number of existing mining settlements are located within the urban edge and can be formalized through a township establishment procedure.

8. *Implementing the SDF*

As part of the Newcastle IDP, the SDF and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the performance management system. Practical implementation of the SDF will be achieved through the further detailed planning of special development areas and the Newcastle Land Use Management System, currently being formulated.

8.1 Special Development Areas

In order to give focus to the organisational activities of the NLM as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas: - areas where the Municipality would need to prioritise its spending and resources to enhance and promote integrated development outcomes. These are proposed as: -

- The **Newcastle CBD** as a primary node;
- The **Madadeni** CBD as a secondary node;
- The **Osizweni** CBD as a secondary node;
- The **JBC** intervention area as a primary node;
- The **Newcastle South** intervention area;
- The **Kilbarchan, Ingagane & Ballengeich** intervention area.

In the case of the Newcastle, Madadeni and Osizweni CBD's as well as the Newcastle South Development Area, Local Area Development Plans and urban design frameworks with more locality specific detail have been prepared and should be considered as extension of this Municipal Wide Spatial Development Framework and adopted together with the said SDF. It is anticipated that a KIB Spatial Development Framework will be formulated for the Kilbarchan, Ingagane and Ballengeich Areas within the next three months and will be included within the next SDF review.

Rural Development Areas where the focus would be on development planning for livelihoods support and agricultural development. These areas are seen as key target areas for land reform, principally for land redistribution, land tenure reform and land reform for agricultural development. The principal target areas are land that is presently under pressure for settlement. The main component areas include: -

- Charlestown,
- Ngogo, and
- Leokop

8.2 Current and Proposed Development Applications

Currently the Newcastle Municipality is experiencing developments outside the jurisdiction of the Town Planning Scheme. The developments are taking place within the farming communities, mostly along the D96 road. These development applications also fall within the nodes identified by the Amajuba District Municipality and therefore supported by the Newcastle Municipality. Furthermore other development applications fall within the JBC Node identified as a Primary node (1st Order SDC) i.t.o. this SDF. These development applications can be summarized as follows in the table below:

DEVELOPMENT NAME	TYPE	APPROVED	IN PROGRESS	PROPOSED
Dunblane Golf estate	DFA	X		
Raaswater Eco Estate	DFA		X	
Thornhill	Sec 11 (2)	X		
Eco Park	Sec 11 (2)		X	
H39	DFA		X	
Theku Plaza	DFA	X		
Sithole Mall	DFA		X	
Eyethu Village	PDA			X
Hildrop Group and Cluster	DFA	X		
Hildrop Guest House	Sec 11 (2)		X	
Hildrop Guest House	Sec 11 (2)		X	
Hagards House	Sec 11 (2)	X		
Hildrop wooden Houses	Sec 11 (2)		X	
Fun Farm	Sec 11	X		

	(2)			
Majuba Lodge	Sec 11 (2)		X	
Monica's Guest House	Sec 11 (2)	X		
Truck Stop	PDA			X
Majuba Feesterrein	Sec 11 (2)		X	
Grey Goose	DFA	X		
Newcastle Lodge	Sec 11 (2)	X		
Farm Engogo Charlets	Sec 11 (2)	X		
Conradie Charlets	Sec 11 (2)	X		
Farm Leopard Dale Charlets	Sec 11 (2)		X	
Horshoe Conference Centerr	Sec 11 (2)		X	

Table 62 Development Applications

8.3 Ward Based Planning

8.3.1 Pilot Project Community Based Plan – Ward 15

The Department of Co-operative Governance and Traditional Affairs commissioned Udidi Environmental and Development consultants to formulate the Community Based Plan for Ward 15 within the Newcastle Local Municipality.

The community based plan is a plan that aims to identify issues at ground level and this plan is precise and detailed as it seeks to identify community issues more accurately. Therefore this plan will be more or less a mini IDP for Ward 15 of the Newcastle Municipality. Currently this plan is in the final draft stage.

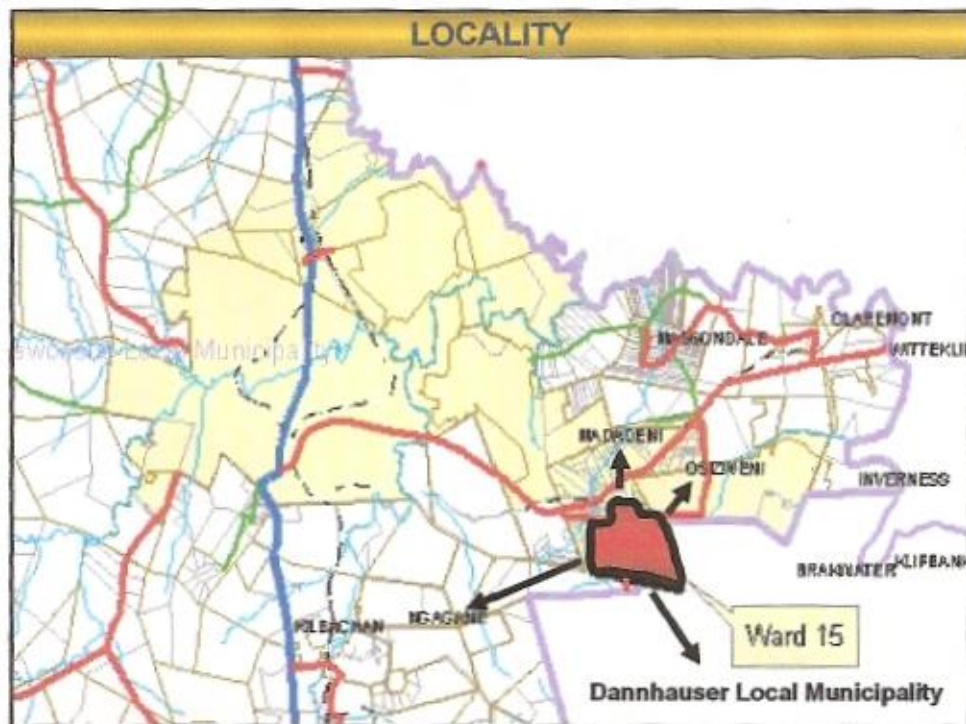


Figure 25: Ward 15 CBP

8.4 SDF Implementation Plan (Capital Projects)

The major key capital and other projects which are currently planned or underway as part of the IDP process and have a spatial impact or significance area listed below and illustrated on the attached Capital Projects Plan. These are grouped per sector as below:

TECHNICAL SERVICES: ROADS & STORMWATER						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
1	Asiphephe Bridge-MAD4	Construction of MAD 4 road and bridge	In Progress	Abaziyo	2009/2011	22
2	BR1	Construction of BR1 road	In Progress	Aganang Consulting Engineers	2009/2010	18
3	BR2 & 3	Construction of BR2 and 3 roads	In Progress	Kwezi V3	2010/2011	16
4	JR1	Construction of JR1 Road	In Progress	Ziyanda	2009/2010	12
5	JR4	Construction of JR4 Road	In Progress	Ziyanda	2009/2010	12
6	JR2	Construction of JR2 Road	In Progress	Internal	2009/2010	12
7	Rehabilitation of Faraday Street	Rehabilitation of Faraday Street	Planning	Vuba Imagineers	2009/2011	25
8	Rehabilitation of Hardwick Street	Rehabilitation of Hardwick Street	Planning	Vuba Imagineers	2010/2011	4/25
9	Amajuba Stormwater	Provision of additional stormwater services at Amajuba Mall	In Progress	Internal	2009/2011	4
10	Mndonzo Township Roads	Upgrading of township roads	Approved	-	2010/2013	7
11	Osizweni Access Roads	Construction of access roads	Approved	-	2010/2013	8,10,11,13, 30
12	Madadeni-Johnstown Link Road	Linking Madadeni and Johnstown	Approved	-	2010/2011	12, 14

Table 63 : Capital Projects 2010/11

13	Rehabilitation of Donga	Rehabilitating Donga	Approved	-	2010/2013	2
14	Jenkyn / Kirkland street	Widening of road	Approved	-	2010/2011	4
15	Boundary to St Dominics	Construct slipway	Approved	-	2010/2011	4
16	St Dominics and Kirkland	Construct slipway	Approved	-	2010/2011	4
17	Hospital street sidewalk	Construct sidewalk	Approved	-	2010/2011	25
18	Victoria street sidewalk	Construct sidewalk	Approved	-	2010/2011	2, 4
19	Rehabilitation of Jenkyn street	Rehabilitation of Jenkyn street	Approved	-	2010/2011	4
20	Reconstruction of Roypoint cemetery road	Reconstruction of Roypoint cemetery road	Approved	-	2010/2012	21
TECHNICAL SERVICES: WATER AND SEWER						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
21	Osizweni Sewerage Treatment Plan	Refurbishment of Osizweni Sewerage Treatment Plant	In Progress	FC Consulting Engineers	2009/2010	7
22	Madadeni / Osizweni WWTP	Refurbishment of Madadeni & Osizweni WWTP	In Progress	Virtual Consulting Engineers	2009/2013	20
23	Stafordhill Waterborne Sewer	Installing Waterborne Sewer	In Progress	BCP / SSI Engineers	2009/2011	19
24	Viljoen Park	Provision of bulk services	Approved	-	2010/2012	25
25	Madadeni Sewerage Treatment Plant	Upgrading of the Madadeni Sewerage Treatment Plant	In Progress	Virtual Consulting Engineers	2009/2010	20
TECHNICAL SERVICES: ELECTRICAL / MECHANICAL						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
26	High Mast lights	Installation of high mast lights in Osizweni	Identification of sites	Internal	2009/2010	Various

27	Blaauwbosch, Cavan, Drycut	Electrification	Approved	-	2010/2011	15
28	Riverside substation	Upgrading of substation	Approved	-	2010/2011	25
COMMUNITY SERVICES						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
29	Blaauwbosch sports field	Upgrade of sportfield	Approved	-	2010/2012	16
30	Tennis courts	Re-surfacing of courts (Arbor Park, Fernwood, Paradise, Fairleigh)	Approved	-	2010/2011	25, 3, 4
31	Cemeteries	Upgrading of cemetery Madadeni sec 1	Approved	-	2010/2013	22
32	Newcastle Airport	Upgrade of airport	Approved	-	2010/2011	20

DEVELOPMENT PLANNING & HUMAN SETTLEMENTS: TOWN PLANNING						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
33	Blaauwbosch	Blaauwbosch Farm layout plan	In Progress	SJN	2009/2013	15, 18
34	Brick Manufacturing Yard	Establishment of a Brick Manufacturing Yard	In Progress	Abaziyo	2009/2010	19
35	Newcastle CBD	Ncandu River Front Urban Design Framework	Draft Design Stage	Red Landscape Architects	2009/2010	4
36	Madadeni CBD	Madadeni CBD revitalisation and landscaping	Implementation Phase	LVDW Architects	2009/2013	23
37	Osizweni CBD	Osizweni CBD revitalisation and landscaping	Implementation Phase	Afritech Architects	2009/2013	30
38	Urban Renewal and Township Regeneration Strategy	Urban Renewal and Township Regeneration Strategy	In Progress	VUKA, Abaziyo consortium	2009/2013	Various
39	Hawker stands	Erection of Hawker stands in Newcastle CBD	Approved	-	2010/2011	25/4

DEVELOPMENT PLANNING & HUMAN SETTLEMENTS: ECONOMIC DEVELOPEMNT						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
40	SMME Development Programme	SMME Development Programme	In Progress	Internal	2009/2010	None

DEVELOPMENT PLANNING & HUMAN SETTLEMENTS: HOUSING & LAND						
REF	PROJECT NAME	DESCRIPTION	PROJECT STATUS	CONSULTANT / AGENT	FINANCIAL YEAR	WARD NO.
41	Infrastructure	Provision of Infrastructure Fairleigh & Pioneer Park	Fairleigh: Waiting for conditions of establishment Pioneer Park: Issue conformity certificate	Abaziyo	2009/2011	2 & 3

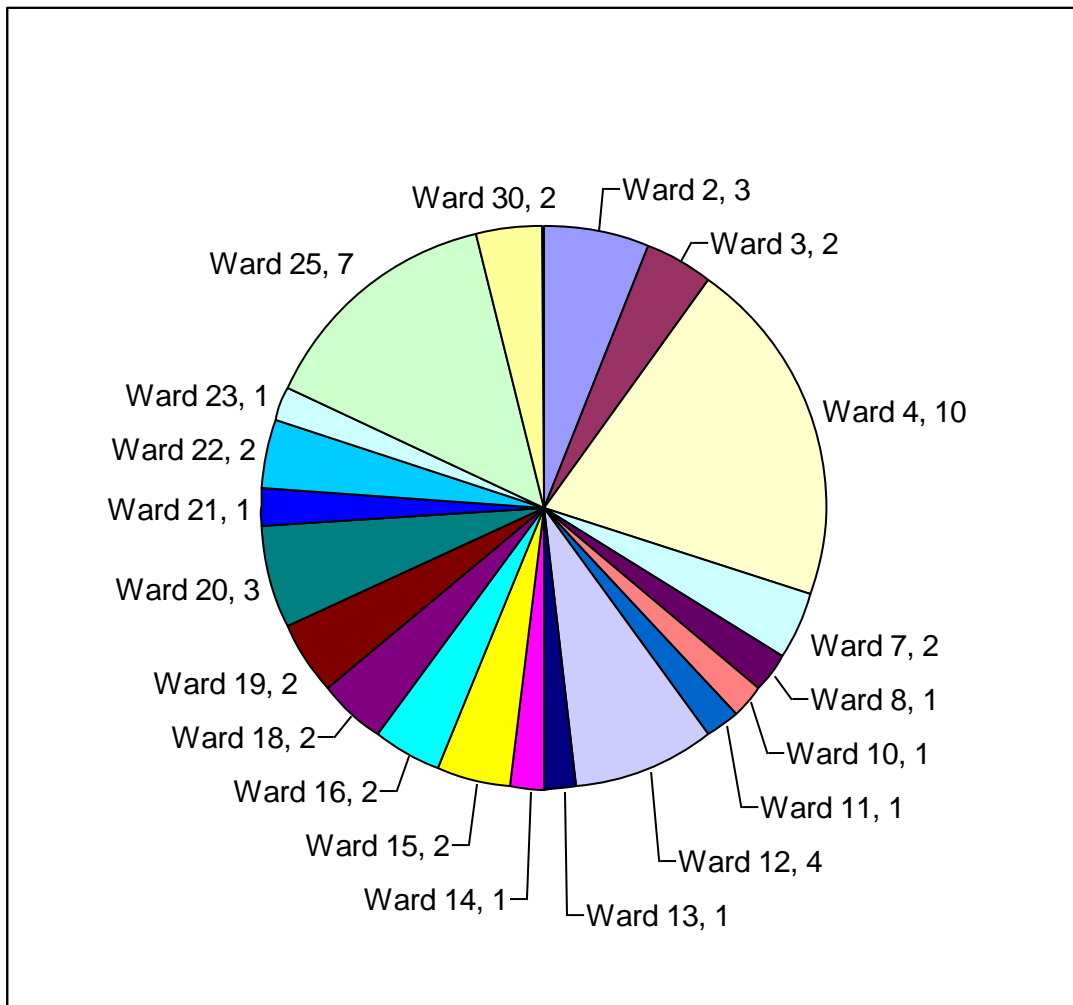


Figure 26 : Project Allocation By Ward

For the financial year 2009-2013 a total of 50 Capital projects with a spatial dimension / implication have been identified per ward and can be seen on annexure 7. The most capital projects with a spatial dimension or implication is found in ward 4 (20%), 25 (14%) and 4 (8%), with the least amount of projects in ward 2, 3, 7, 8, 10, 11, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23 and ward 30.

Ward 1, 5, 6, 8, 9, 10, 11, 13, 17, 24, 26, 27, 28, 29, and 31 does not have any capital projects with a spatial dimension / implication currently implemented or planned.



NEWCASTLE MUNICIPALITY HOUSING PPROJECTS			
REF	HOUSING PROJECT NAME	TOWNSHIP / AREA	WARD NO
A	Siyahlalala Housing Project	Newcastle - Fairleigh	25
B	Roy Point Housing Project	Farm Roy Point	21
C	Kwa-Mathukuza Slum Clearance Project	Madadeni - Kwamathukuza	20
D			-
E	Madadeni Unit K – Phase II	Madadeni Township	20
F	Madadeni Housing Project H39	Madadeni H39	21
G	Emlotheni Housing Project: Lot 9306	Madadeni Township	27
H	Stafford Hill Housing Project (1000)	Madadeni Township	29
I	Stafford Hill Housing Project (4400)	Farm Leslie	31
J	JBC Housing Project	JBC Intervention area	16/18
K	Osizweni Section F – Phase II	Osizweni Township	11
L	Emawozeni Housing Project	Osizweni Township	6
M	Khatide Housing Project	Farm Forvie	31
N	Osizweni Section F – Phase I	Osizweni Townships	11
O	Khathide Housing Project – Phase I	Khathide Settlement	6
P	Osizweni Section E – Phase II	Osizweni Township	9
Q	Osizweni Section E – Phase III	Osizweni Township	10

Table 64 Housing Projects by Ward

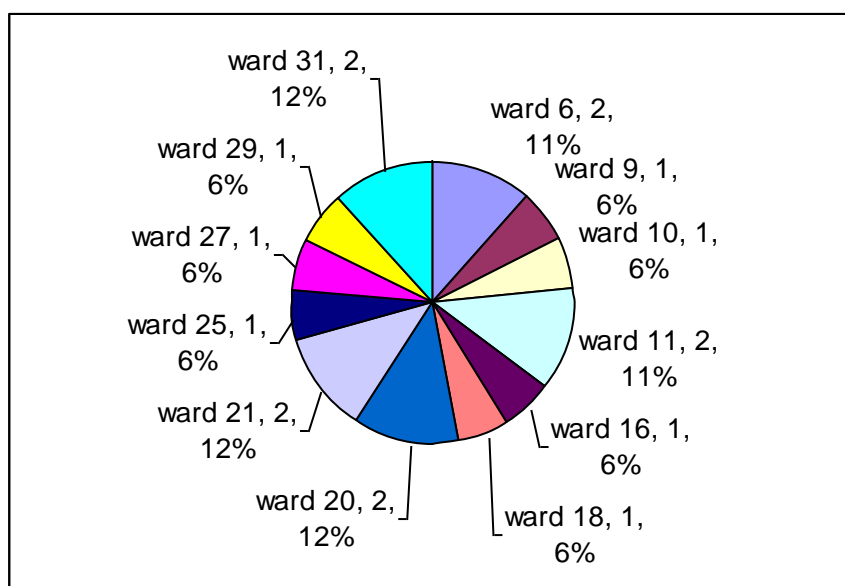


Table 65 Housing Projects : %age by ward



A total of 17 Housing projects with a spatial have been identified per ward and can be seen on annexure 6. Housing projects with have been distributed evenly, within wards 6, 9, 10, 11, 16, 18, 20, 21, 25, 27, 29 and ward 31 with each 1 or 2 housing projects.

Ward 1, 2, 3, 4, 5, 7, 8, 12, 13, 14, 15, 17, 19, 21, 22, 23, 24, 26, 28, 30 does not have any housing projects currently or planned.

Table 66 : Planning initiatives as per SDF

NEWCASTLE MUNICIPLITY PLANNING INITIATIVES		
NAME	STATUS	WARD NO.
Newcastle CBD Development Plan	Approved – implementation phase	4
Newcastle Open Space Framework and Policy	Approved – Implementation Phase	Various
Newcastle Home Based Business Policy	Approved – Implementation Phase	Various
Newcastle South Spatial Development Framework (Intervention area)	Approved – Implementation Phase	1/25
Cell phone mast Policy	Approved – Implementation Phase	Various
Shipping Container Policy	Approved – Implementation Phase	Madadeni & Osizweni wards
Advertising Policy	Approved – Implementation Phase	Various
Hardwick Street Precinct Plan	Draft Document	4/25
CBP Ward 15	Draft Document	15
KIB Spatial Development Plan	Situational Analysis	21
Newcastle CBD Traffic and Transportation Study	Status Quo Report	4/25
MR483 Activity Corridor	Draft Report	20, 17, 15, 18, 12, 6, 7
Land Use Management System	Draft Report	Various
Street Naming – Madadeni	Implementation Phase	Madadeni wards
Charlestown Rural Development Plan	Planning Phase	1
Ngogo Rural Development Plan	Approved – Implementation Phase	1
Street Naming – Osizweni	Implementation Phase	Osizweni wards

Table 67 LED projects to SDF

OTHER NEWCASTLE MUNICIPALITY LED PROJECTS	
PROJECT	WARD
Integration of SMMEs in AAC	1st and 2nd order nodes
Mentorship's Programme	1st and 2nd order nodes
Tunnels Programme	1st and 2nd order nodes
Funding Access	1st and 2nd order nodes
Outgrower Scheme	1st and 2nd order nodes
Tourism Internship	1st and 2nd order nodes
Tourism Mentoring	1st and 2nd order nodes
Funding	1st and 2nd order nodes



Tour Guiding	1st and 2nd order nodes
Site Management	1st and 2nd order nodes
Municipal Information Access Point	1st and 2nd order nodes
Proudly Newcastle Buy Local Campaign	1st and 2nd order nodes
Beneficiation Industries Incentives Scheme	1st and 2nd order nodes
Business Retention & Expansion Strategy	1st and 2nd order nodes
Work in Newcastle Campaign	1st and 2nd order nodes
In-Service training incentives	1st and 2nd order nodes
Skills Development Fund Access	1st and 2nd order nodes
Incentive Promotion	1st and 2nd order nodes
Potential Site Infrastructure Audit & development Plan	1st and 2nd order nodes
Identification of key project for Provincial funding access	1st and 2nd order nodes
Integrated Transport Plan	1st and 2nd order nodes
Commuter Management Strategy	1st and 2nd order nodes
Transport SMME Development	1st and 2nd order nodes
SMME Incubator Investigation	1st and 2nd order nodes
Online Database	1st and 2nd order nodes
SMME Publicity Campaign	1st and 2nd order nodes

SECTION E: INTEGRATION

LOCAL ECONOMIC DEVELOPMENT

Newcastle Local Municipality's Local Economic Development Strategy (LED) (2007) – (subject to review in 2010/11) - is designed to complement the existing Amajuba Sector Plans and enhance economic opportunity for Newcastle's residents. The LED seeks to achieve this by focusing on the development of entrepreneurs and Small, Medium and Micro Enterprises (SMMEs) across the key sectors of Manufacturing, Agriculture and Tourism. This focus was directed by the interaction held with stakeholders in these sectors who indicated that there is a need assist small business development and encourage greater participation in economic activity.

This bottom- up approach was designed to assist the Municipality in minimising the loss of skills that Newcastle has experienced in the recent past – with school leavers, artisans and graduates leaving to seek employment opportunities elsewhere. By focusing on the latent development potential in Newcastle in conjunction with the existing big industry infrastructure this approach seeks to combine all levels of economic activity and strengthen the total economy of Newcastle – creating a municipality that truly lives up to the Vision of "Together We Can Do IT Better".



This executive summary of the LED Strategy covers the following key points of the LED strategy:

- What is LED?
- The LED Process
- Local Economic Assessment
- Review of LED Recommendations
- Cross-cutting Issues
- Implementation

What is LED?

Local Economic Development is an outcome based on local skills and initiatives and driven by local stakeholders. It involves identifying and using primarily local resources and skills to stimulate sustainable economic growth, regeneration and development. It is a participatory approach, encouraging input and participation from all interested parties to address the needs of a community or region. LED is an ongoing process rather than a single project and is about continually upgrading the investment environment to improve competitiveness and generate income and employment.

LED is about promoting local approaches to respond to local needs and conditions, but also within the context of national and global economic trends and events. It aims to base economic activity on social conditions and local resources as well as regional capabilities and local competitive advantage.

LED aims at maximising the economic potential of a particular area by encouraging the public sector, the business sector and communities to work together in creating conditions favourable to economic growth and employment generation. Specific targets of LED include:

- Create employment
- Develop local markets
- Promote and support SMME's
- Decrease poverty and hardship
- Ensure community empowerment

LED is about creating favourable locational factors to do business; these include not only infrastructure and training but also for example improving the



efficiency of local administration. It is also about promoting business – encouraging startups, but also facilitating and creating a general enabling environment in which to conduct business such as attracting investors and creating linkages. In this regard LED also focuses on making markets work better and making better use of locally available resources and skills. LED also targets previously disadvantaged peoples and promotes formal participation in the local economy, local ownership and community involvement.

The LED Process

The development of the LED strategy has included the following key steps, indicated in the diagram below. The process was guided by the Project Steering Committee.

Local Economic Assessment

The central location of Newcastle has allowed for a highly diversified and well integrated (into the provincial and national economy) local economy to develop. The three major sectors within the local municipality are manufacturing, tourism and agriculture. What follows below is a brief overview of each sector and the sections closes with a review of the municipality's socio-economic indicators.

Manufacturing

The recently completed Amajuba Manufacturing Sector Report (Urban-Econ: 2006) provides in detail the district's contribution to the KwaZulu-Natal economy. This is further unpacked to provide the level of contribution that each local municipality has within the district. Newcastle Local Municipality is the largest contributor to the districts' economy, and manufacturing is the predominant sector. Amajuba manufacturing contribution to KZN's economy is 5%, of this Newcastle comprises 58.3% of the input. Newcastle is the major economic driver within the district.



The key indication that Newcastle's economy is more sophisticated than Utrecht's and Dannhauser's is that the proportion of general government services as a percentage of gdp generating economic activity is lower, while primary activity like mining and agriculture plays a far more significant role in the latter municipalities.

Tourism

Tourism within Newcastle Municipality has a heavy emphasis on business travellers (with 35% of Tourism Newcastle's visitors recorded as such, Tourism Sector Report: 2004). The current tourism strategy document does not present a detailed breakdown of the economic impact of the tourism sector upon the municipality except to highlight that the annual 44000 visitors to the municipality for the Vodacom/Amajuba Winter Festival generate approximately R26m in revenue. There are no formal figures of local tourism related employment or multipliers indicating the multipliers of tourism experienced within the local economy with the exception of the rate payers levy and a related approximated injection of R700000 in salaries within the entire district.

Other estimates based on the Amajuba District Municipality Strategic Business Plan indicate that Newcastle town generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 1066 jobs in the municipality (Tourism Sector Report: 2004).

Interviews with Tourism Newcastle unpacked the current trends within the municipality – occupancy rates within the municipality are between 75%-84%. The key emphasis within the municipality is on business and sports related tourism, with both sectors well catered for within the realm of accommodation. A major concern for further growth within the sector is the



municipality's "red tape" regarding the establishment of new bed and breakfast facilities and for emerging SMME establishments. There was some marked antagonism towards the "tourism precinct" mooted in the Amajuba Tourism Strategy document. Growth areas have been identified as the following: battlefields; birding; adventure and sports tourism as well as art, crafts and cultural tourism. These are each discussed in greater detail at the strategy and project level of the full document.

Agriculture

Amajuba District Municipality commissioned a district level agricultural plan which was completed in 2006. The main aim of the document was to provide the sector with decision making tools enabling better planning in the sector. The strategy aligned with both the district IDP and LED, and was managed by the Amajuba Forum for Local Economic Development. Due to the complex nature of environmental and economic interactions within this sector this report is the critical starting block for engendering growth within Newcastle Municipality.

According to the agricultural strategy the main agricultural potential of the Amajuba District Municipality are the following: intensive farming, irrigation, dry land farming and stock farming. The focus of Newcastle Municipality's agricultural planning is centred on: soya bean production linked into oilcake and biodiesel production; floriculture and agri-processing activities as well as animal husbandry and crop production.

The Newcastle Municipality Economic Development and Tourism Department has generate substantial modelling for soya production in the municipality, including employment forecasting of an additional 70000 jobs in the sector in order to produce the required volume of soya crop for production.



LED Recommendations

Indicated below are the recommendations for each key sector.

Agriculture

Goal	Objectives	Programmes	Activities
Grow SMME participation in Agriculture	Improved sharing of technology and skills	<ul style="list-style-type: none"> Integration into AAC 	<ul style="list-style-type: none"> Identify existing and emerging farmers in the municipality that are not part of the cooperative structure Encourage recent graduates of the FET College to integrate into the AAC Undertake promotional activities to promote the AAC's role within the Newcastle's farming community Estimate cost – R10000
		<ul style="list-style-type: none"> Mentorships 	<ul style="list-style-type: none"> Identify commercial farmers in the municipality willing and able to provide mentorship to emerging farmers. Run a mentorship workshop with both established and emerging farmers. Identify SMMEs to partner specific farmers in agri-business ventures. Monitor progress of mentor relationship. Estimate cost – R0
		<ul style="list-style-type: none"> Tunnels Programme 	<ul style="list-style-type: none"> Learnership development at Majuba College Provide training for SMME's formal requests (letter writing, business plan formulation) in a series of short seminars on each topic to assist with accessing tunnels from DOA. Provide assistance to SMMEs in drafting formal letters of request. Estimate cost – R720000
	Promote start-ups in the Agricultural sector	<ul style="list-style-type: none"> Funding Access 	<ul style="list-style-type: none"> Generate a database of funding sources for emerging farmers. Provide training for SMME's and emerging farmers in funding requests (letter writing, business plan formulation) in a series of short seminars on each topic to assist with accessing tunnels from DOA. Provide assistance to SMMEs in drafting formal letters of request. Estimate cost – R12000
	Enhance number of SMMEs involved in commercial ventures	<ul style="list-style-type: none"> Out-Growers Schemes 	<ul style="list-style-type: none"> Identify potential outgrower projects in the municipality. Identify potential small growers/communities to participate in the scheme. Conduct a series of training sessions in the various areas. Formalise the arrangements through a series of negotiated agreements. Estimate cost – R80000

Tourism Sector

Goal	Objectives	Programmes
Grow Tourism Sector	Improved SMME participation	<ul style="list-style-type: none"> Internships Mentorships Funding Access Tour Guide Training Site Management Training
	Identify Tourism Nodes	<ul style="list-style-type: none"> Forms part of SDF for Newcastle Municipality Review of Newcastle-Mandadeni-Osizeni areas



	Newcastle Listings Guide	<ul style="list-style-type: none"> • Generate full list of Newcastle establishments • On-line and hard copy guide to be produced • Distributed to all accommodation sites within Amajuba and Newcastle • Distribute to travel agents and tour guide firms • Distribute at trade fairs and large events within KZN.
	Environmental Centre at Chelmsford	<ul style="list-style-type: none"> • Open dialogue with KZN Ezemvelo Wildlife about the site. • Identify specific area and activities that could host and be undertaken by learners • Identify training partners to manage the facilities. • Hire local campaign
	Battlefields Development	<ul style="list-style-type: none"> • Launch Gateway to Battlefields Campaign • Link into SMME tour guiding and site management programmes • Marketing strategy linking onto international battlefields history and tourism sites. • Promote tourism transport initiatives tied to guiding.
	Birding	<ul style="list-style-type: none"> • Integration of Newcastle birding route with others on TKZN website • Create linkages to KZN-Ezemvelo Wildlife birding initiatives • Promote training for birding guides • Informative birding signage to be established • Observation posts to be established
	Events	<ul style="list-style-type: none"> • Publicising of the Newcastle eventing calendar on multiple websites • Marketing of events with sports/adventure magazines • Buy local campaign for supplying these events
	Cultural Tourism	<ul style="list-style-type: none"> • Township tours • Home hosting accommodation • Incorporation into Newcastle Listings Guide
	Arts & Crafts Strategy	<ul style="list-style-type: none"> • Undertake survey of craft producers in Newcastle • Distribution network formation • Workshop site visits

Manufacturing & Business Sector

Goals	Objectives	Programmes	Project/Activities
Grow Industrial Sector	Sector Development	Manufacturing Retention, Expansion and Attraction	<ul style="list-style-type: none"> • Municipal Information Access Point • Proudly Newcastle Buy-Local Campaign • Newcastle Industry Yellow Pages/Annual Calendar • Beneficiation Industries Incentives Scheme for steel, agriculture, timber



	Removal of Barriers to Entry	<p>Increase Absorption of local labour force</p> <p>Investment Attraction</p>	<ul style="list-style-type: none"> • Work in Newcastle Campaign • In-service training incentives • Skills and Development Fund Processes • Infrastructure Development and the Identification of priority sites and partnerships (PPP) • Incentive promotion • Use of Provincial Funds Promotion Strategy
	Conducive Business Environment	Transport & Logistics System	<ul style="list-style-type: none"> • Integrated Transport Plan • Commuter Management System • Improved SMME Participation
	SMME Development	Promotion of SMME Networks	<ul style="list-style-type: none"> • Web database of SMMEs • SMME Incubator – cluster potential (joint business and municipal support) • SMME Publicity Campaign



Cross-cutting Issues

These issues are constants in the formulation of meaningful LED interventions for Newcastle Municipality. The concerns surrounding HIV/AIDS's impact upon both social and economic fabric of the municipality acting as a major constraint to individuals and communities' ability to engage in economic activity. Skills development remains a critical concern for Newcastle, a municipality with of significant industrial and business opportunities for skilled labour. Inclusion of the informal sector and the promotion of SMME development to help regulate this economic activity too are vital cross cutting issues. The promotion of BEE and other disadvantaged groups like women and the disabled close off the list of multi-facetted issues that feature across all sectors of the LED strategy.

Implementation

When LED projects are to be initiated and implemented on a practical level, five core activities have to be identified. It should be noted that these core activities are inter-connected and are not separated from each other.

These are the following:

- **Identification-** refers to those activities pertaining to the identification of potential projects and opportunities that can be developed in the local economy and is the first step of the LED.
- **Defining Approach** –refers to the process if specifically defining the project and implies the actual formulation of business plans.
- **Marketing** – refers to place marketing as well as the marketing of specific products or services produced by the respective projects
- **Funding-** refers to the acquisition of finances for the implementation and development of projects.
- **Implementation-** refers to the culmination of the preceding activities resulting in the identified opportunities being put into action.

Each of the aforementioned activities/ phases of practical implementation is made up of its components. These components similar to the activities, are independent and progressive and build up to the implementation and evaluation of projects. It is important to note that the District Municipality should assist the local authority in all of the abovementioned activities of practical implementation depending on the capacity and or assistance required.



These functions are best managed in-house, by Newcastle's Economic Development and Tourism Department, with referral made to the district for assistance as required.

Steering Committee

The Newcastle LED Strategy covers a range of projects that affect a variety of stakeholders within the municipality. In order to maximise the benefit of this strategy and these proposed projects multiple drivers of this strategy need to be identified. By forming a participatory body to drive LED in Newcastle there is greater chance of these projects being taken up by both the private and public sectors and the strategy achieving its goal of creating economic growth within Newcastle Municipality.

The LED Steering Committee/Forum would comprise of six different groups of stakeholders, indicated below, and be tasked with overseeing the implementation of the LED strategy and identified projects.

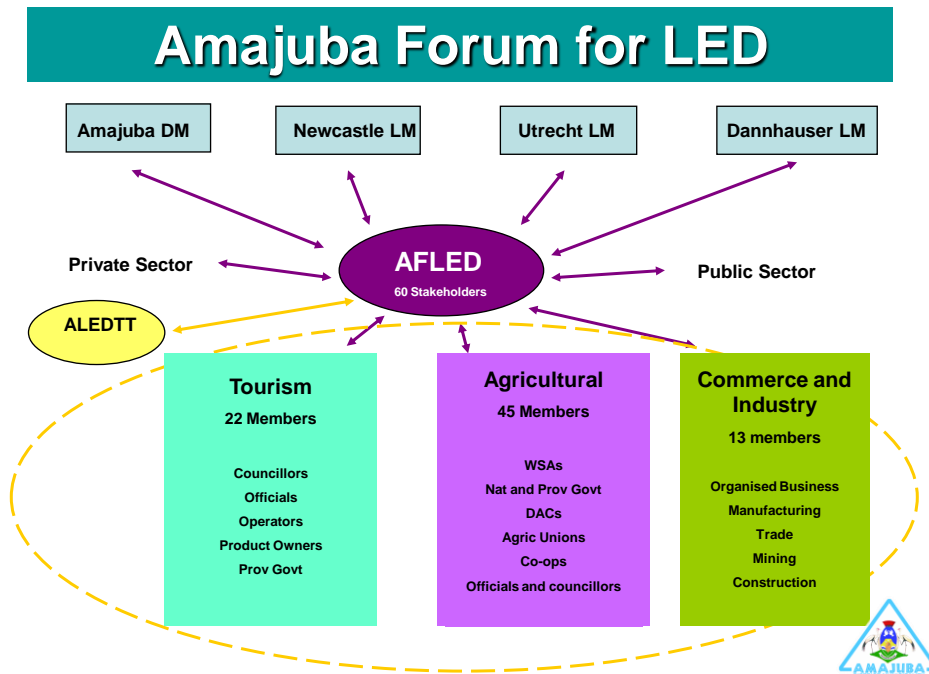


Table 68 LED Steering Committee

These representatives cover all major sectors of economic activity – tourism, agriculture and industry as well as the public sector (officials and SEDA). This broader LED initiatives are driven by the Amajuba Forum for LED (AFLED) and is structured as follows :-



Figure 27 AFLED Structure



The projects identified for implementation were discussed in great length at stakeholders, what emerged out of those workshops is the implementation matrix below, with each project scheduled over a three year budgetary process. The projects identified are ones aimed at improving the enabling environment for economic development in Newcastle. Large scale projects economic development projects in the municipality already identified and in-process (soya processing etc) need to be layered on top of these “enabler” projects.

“ENABLER” PROJECTS

Project	Budget	2007/8	2008/9	2009/10
Integration of SMMEs in AAC	R20000	R10000	R5000	R50000
Mentorships Programme	R150000	R50000	R50000	R50000
Tunnels Programme	R7200000	R240000	R240000	R240000
Funding Access	R12000	R4000	R4000	R4000
Outgrower Scheme	R80000	R40000	R40000	
Tourism Internship	R36000	R12000	R12000	R12000
Tourism Mentoring	R36000	R12000	R12000	R12000
Funding Access	R30000	R10000	R10000	R10000



Tour Guiding	R120000	R60000	R60000	
Site Management	R3600000	R1200000	R120000	R120000
Municipal Information Access Point	R5000	R5000		
Project	Budget	2007/8	2008/9	2009/10
Proudly Newcastle Buy-Local Campaign	R10000	R10000		
Beneficiation Industries Incentives Scheme	R250000	250000		
Business Retention & Expansion Strategy	R300000		R30000	
Work in Newcastle Campaign	R450000	R150000	R150000	R150000
In-service training incentives	R20000	R200000		
Skills Development Fund Access	R80000	R80000		
Potential Site Infrastructure Audit & Development Plan	R250000		R250000	
Incentive Promotion	R250000	R250000		
Identification of Key Project for Provincial Funding Access	R450000		R450000	
Integrated Transport Plan	R400000	R400000		
Commuter Management Strategy	R250000		R250000	
Transport SMME Development	No cost	No cost		
SMME Incubator Investigation	R150000	R150000		
Online Database	R20000	R20000		
SMME Publicity Campaign	R30000		R3000	

Table 69 Enabler Projects

Monitoring and evaluation is a critical function of the LED process. Without proper examination of the work undertaken, programmes initiated and projects funded there can be no understanding of what has been successfully implemented. Thus, there is no basis for the allocation of future funding and placement of other scarce resources from the District.

2010 Opportunities

The Newcastle Municipality will be hosting the Newcastle World Summit during 2010. This will involve capitalising on some of the Fifa 2010 initiatives through twinning arrangements, boosting tourism and enhancing marketing initiatives for Newcastle.

Two committees locally have been established viz.

1. Management committee- mayor speaker whips municipal manager and SED Dev, Plan and Human Settlements
2. Working committee- Consist of Community stakeholders, organised business, Department of Education etc.

The Summit is seen to be a community activity and the stakeholders must arrange the program, involve the communities as far as possible and also assist with sponsorship where possible.



The summit is scheduled to take place from the 16-23 October 2010 in Newcastle. The main theme is **"My youth My Newcastle"** - but issues pertaining to education, culture and economic development will also be addressed.

DISASTER MANAGEMENT CONTINGENCY PLAN

The Disaster Management Contingency Plan is reviewed annually and is available on request. A disaster management plan is in the process of being compiled through the Amajuba District Municipality

GENDER EQUITY

In line with National Governments Commitment to gender equity as entrenched in the Constitution, it is necessary to the Newcastle Municipality to put in place interventions to address gender imbalances.

Some of the critical issues that need to be gender sensitive include amongst others:

- Accelerating economic growth
- Advancing social development
- Reducing levels of inequality¹

Whilst gender equity is address at an institutional level through the Municipality's Employment Equity Plan, due rganizati must be taken of the cross cutting issues relating to gender from an Integrated development Planning perspective.

The cross cutting theme includes

- Basic human needs
- Basic human rights
- Democratisation and good governance
- Budgeting and Finance
- Social development and assistance
- Access to land and land reform
- Poverty alleviation

¹ National Treasury Budget Speech 2005:6



- Health care
- HIV/AIDS
- Sustainable human development (Planning and development)
- Education and training
- Environmental management
- Disaster Management
- Infrastructure provision
- Housing and security of tenure
- Economic growth and access to employment

Some of the critical elements for intervention include amongst others

- Education and training
- Poverty eradication
- Violence against women
- Health
- Economy
- Power and decision-making
- Institutional mechanisms of gender equity
- Human rights
- The girl child

A gender equity plan will need to be developed taking into account the above issues.

POVERTY ALLEVIATION

Some of the Poverty Alleviation programmes initiated and facilitated by the Council includes the following:

- Free Basic Services (Indigents in line with the Indigent policy of Council)
- Food Parcels through relevant sector departments and private sector
- Gardening projects
- Hydroponics
- Poultry projects
- Piggery projects
- Soup Kitchens and self help projects
- Grants and donations in line with policy

The national debate about how best to ensure economic development whilst simultaneously addressing poverty is a challenge being faced by Newcastle as well. At present, the institutional capacity of the Municipality does not allow



for interventions for poverty alleviation to be better co-ordinated and options are being investigated to address this matter.

In addition with engaging with both private and public sector to co-ordinate Poverty alleviation programmes in Newcastle, the Office of the Mayor will be facilitating internal initiatives in this regard.

ANTI-FRAUD AND CORRUPTION POLICY –

A draft Anti-fraud and Corruption policy was drafted and work-shopped with all Senior managers and Council. It addresses the duty of the council to ensure stewardship of public money very seriously. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption whether these are attempted from within or external to the organization.

Legislation that is aimed at preventing corruption is:

- Public Protector Act of 1998;
- Anti-corruption Act of 1994;
- Protected Disclosure Act of 2000;
- Promotion of Administrative Justice Act of 2000;and
- Promotion of Access of Information Act 2000

For the purpose of this document fraud and corruption are defined as follows:-

Fraud: 'The intentional distortion of financial statements or other records by persons internal or external to the Authority, which is carried out to conceal the misappropriation of assets or otherwise for gain.' Fraud is a deliberate act by an individual or group of individuals. Fraud is therefore always intentional and dishonest.

Corruption: "The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any other person."

The Anti-fraud and Corruption policy consists of a series of procedures designed to deter any attempted fraudulent or corrupt act:-

- Culture



- Prevention
- Detection and investigation
- Training

The Anti-fraud Policy (Draft) is available on request.



SECTOR PLANS

The table below outlines the status of sector plans for the Newcastle Municipality. All completed Sector plans, not annexed to this IDP is available on the Newcastle Website www.newcastle.gov.za or on request.

Table 70 : Sector Plan

SECTOR PLAN	COMMENT/ACTION	RESPONSIBLE OFFICIAL
WSDP REVIEW	In Progress – Draft under discussion – to be completed in 2010/11	Acting WSA Manager
Housing PLAN	Approved – Subject to Review for 2011/12	SED : P & D
Spatial Development Framework REVIEW	Draft included in this Review	SED : P & D
LED Strategy	TO be reviewed in 2011/12	SED : P & D
Environmental Management Plan	In Progress through the District – May 2010	SED : Community Services
Cemetery Plan	To develop 2010/11	SED : Community Services
Infrastructure Development Plan	To prepare in line with CIP in 2010/11	SED : Technical Services
Disaster Management Plan	Prepare Business Plan for DBSA/DPLG	SED : Technical Services
Transportation Plan	Prepare Business Plan for Review to DPLG	SED : Technical Services
Asset Management Plan – High Priority	In progress – May 2010	CFO
Roads and Stormwater Master Plan – High Priority	Prepare Business Plan for DBSA/DPLG	SED : Technical Services
Sports and Recreation Plan	TO develop, acquire funding	SED : Community Services
Community Facilities Plan	Prepare Business Plan for DBSA/DPLG	SED : Community Services
Electricity Supply Development Plan	To undertake a review – 2010/11	SED : Technical Services
Institutional	Micro Structure in	SED : Corporate



Development Plan	progress	Servcies
Special Programmes Plan	Framework complete	SED : Community Services
Operational management Plan – Monitoring of Projects	Prepare Business Plan for DBSA/DPLG	SED : Technical Services
IT Management Plan	Appointment of IT Manager in Progress	SED : Corporate Services
Integrated Waste Management Plan	In Progress through the District –may 2010	SED : Community Services
Financial Plan – High Priority	In progress – May 2010	CFO
Revenue Enhancement Strategy	In Progress – May 2010	CFO

INFORMATION AND COMMUNICATION TECHNOLOGY(ICT)

Newcastle Municipality does not have a formal ICT framework and/or policies. Through the restructuring process, an IT section now falls under the SED : Corporate Services. The institutional arrangements are being finalised with the proposed appointment of an IT Manager

The following policies have been identified in the 3 Year Action Plan to rectify this :

- IT Policy
- Disaster Recovery
- Data Backup
- Data and Systems security
- Network security

Furthermore, it is necessary to undertake an ICT audit and propose upgrades to improve ICT within the organisation. Presently departments are managing their specific IT requirements. Integration of the various systems(Financial Management, GIS, PMS, Traffman etc and upgrading thereof to meet the changing needs of the organisation. An IT Mangement Plan is in the procees of being finalised.

The Municipality have also acquired a new financial system, with steps to go live by July 2010 already in progress.



CAPITAL INVESTMENT FRAMEWORK

Five Year Capital Plan

A five year plan aligned to the Financial Plan will be further interrogated to align to national targets and the ability of the municipality to implement same based on grant and internal funding mechanisms.

DEPARTMENT	SECTION	2011/2012	2012/2013	2013/2014	2014/2015
		CAPITAL	CAPITAL	CAPITAL	CAPITAL
TECHNICAL SERVICES	MIG committed	79 000 000	59 000 000		
	MIG ADA	52 571 232	21 000 000		
	Electrical : Capital	11 953 152	9 365 500		
	Electrical : Mechanical	2 572 225	81 000		
	Electrical: Vehicles	2 200 000	2 210 000		
	Roads and Stormwater	25 360 000	13 863 000	14 770 000	15 950 000
	Administration	256 900	260 900	104 750	210 250
Community Services	Administration		9 000		
	Fire Services	4 405 000	4 308 000		7 000 000
	Traffic	850 000		10 500	
	Security	200 000	240 000	500 000	
	Health	179 368 509	110 337 400	15 385 250	23 160 250
	Parks	23 350 000	25 000 000	13 000 000	11 500 000
	Culture and Amenities	35 000	35 000	35 000	35 000
	Waste Management	16 021 000	25 000 000	4 000 000	2 800 000
	Other Priorities		4 000 000	15 200 000	
	Landfill site Closure and Rehabilitation	20 000 000	5 000 000		
	Landfill identification and establishment	15 000 000	5 000 000		
Finance					
Corporate Services		18 550 000	21 000 000		
Development Planning & Human Settlements		18 850 000	21 000 000	0	0
		470 543 018	326 709 800	63 005 500	60 655 500

With the exception of MIG commitments in terms of allocation, all other requirements are uncommitted.



DIVISION OF REVENUE (2010-2013)

The following Division of Revenue Act allocations will support the implementation of both high level and operational strategies :

Grant Description	Operating/ Capital	2010/11 Allocation	2011/12 Estimate	2012/13 Estimate
Equitable Share	Opex	225 777 000	255 395 000	281 462 000
Finance Management Grant	Opex	1 200 000	1 450 000	1 500 000
Municipal Systems Improvement Grant	Opex	750 000	790 000	800 000
Neighbourhood Development Partnership (Capital)	Capex	15 000 000	20 000 000	20 000 000
Water Services Operating Subsidy	Capex	0	0	20 000 000
Municipal Infrastructure Grant	Capex	61 714 000	74 224 000	90 249 000
Intergrated National Electrification (Municipal)	Capex	7 358 000	10 000 000	7 000 000
Intergrated National Electrification (Eskom)	Capex	8 322 000	0	8 276 000
Electrification Demand Side Management (Eskom)	Capex	0	3 000 000	0
Neighbourhood Development Partership	Opex	2 100 000	1 000 000	700 000
Expanded Public Works Programme Incentive	Opex	870 000	0	0

Total National Allocations	323 091 000	365 859 000	429 987 000
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Grant Description	Operating/ Capital	2010/11 Allocation	2011/12 Estimate	2012/13 Estimate
Greenest Municipality Competition	Opex	165 000	0	0
Municipal Clinics	Opex	1 193 000	0	0
Property Rates	Opex	2 282 000	2 419 000	2 634 000
Recapitalisation of Community Libraries	Capex	285 000	285 000	285 000
Museums Services	Opex	73 000	77 000	81 000

Total Provincial Allocations	3 998 000	2 781 000	3 000 000
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Less Indirect Grants	2 282 000	2 419 000	2 634 000
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Actual Provincial Allocations to Municipality

6 280 000 5 200 000 5 634 000

MTREF PROPOSALS : 2010/11 TO 2012/13

Table 71 MTREF 2010-2013

	2008/09	2009/10		2010/11	2011/12	2012/13
	ACTUAL	APPROVED BUDGET	ADJUSTED BUDGET	*DRAFT BUDGET	**INDICATIVE	**INDICATIVE
REVENUE	-840 669 865	-887 777 988	-943 023 661	-1 006 887 528	-1 119 520 878	-1 239 395 523

EXPENDITURE

SALARIES	143 892 219	201 047 921	191 389 426	225 333 319	243 263 895	262 625 553
GENERAL EXPENSES	480 654 964	595 169 629	609 430 461	682 783 677	774 899 845	871 562 704
REPAIRS AND MAINTENANCE	53 870 890	51 158 407	55 953 874	52 612 063	57 873 269	63 660 596
EX-INCOME RESERVE	-277 756	-100 691	-94 521	-100 058	-98 096	-96 172
CAPITAL CHARGES	28 216 336	35 975 460	43 214 042	39 106 055	43 016 660	47 318 326
CONTRIBUTIONS TO RESERVES	138 653 922	83 574 488	114 782 228	87 830 625	84 253 342	80 894 266
CONTRIBUTIONS TO CAPEX	1 408 922	0	1 294 386	1 600 000	1656 000	1 713 960
LESS RE-ALLOCATED	-77 362 152	-79 180 329	-73 373 584	-83 833 772	-86 767 954	-89 804 832
TOTAL EXPENDITURE	769 057 334	887 644 885	942 596 312	1 005 331 910	1 118 096 962	1 237 874 401
(SURPLUS) / DEFICIT	-71 612 531	-133 103	-427 348	-1 555 618	-1 423 916	-1 521 122

**The indicative figures as per the Medium Terms Budget Policy Statement/Guidelines as approved by the Council in November 2009.

Prioritised Projects for the 2010/11 Financial Year in terms of available DORA funding and internal funding (Revenue, Reserves and Loans) are reflected below aligned to IDP Priorities.

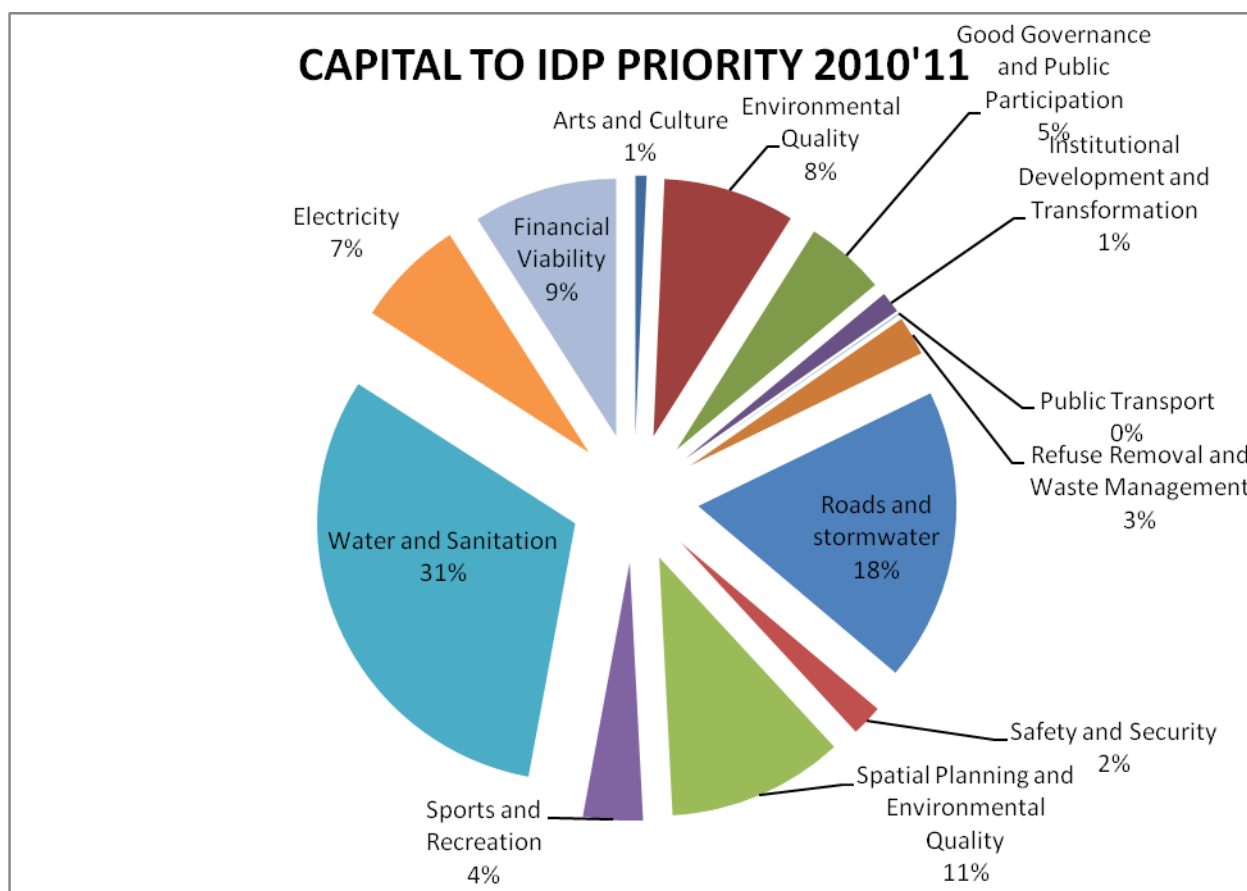
Table 72 Capital Budget to IDP Priority

IDP PRIORITY	BUDGET
Arts and Culture	1 507 000
Environmental Quality	18 259 000
Good Governance and Public Participation	11 100 000
Institutional Development and Transformation	2 910 000



Public Transport	100 000
Refuse Removal and Waste Management	5 425 000
Roads and stormwater	40 571 018
Safety and Security	4 340 000
Spatial Planning and Environmental Quality	24 400 000
Sports and Recreation	8 250 000
Water and Sanitation	68 862 982
Electricity	15 140 000
Financial Viability	20 000 000
	220 865 000

Figure 28 Capital to IDP Priority 2010/11



The above will be further unpacked at a Ward level to determine the investment per ward.

MULTI YEAR CAPITAL BUDGET 2010-2013			
PROJECT NAME	2010/2011	2011/2012	2012/2013
TECHNICAL SERVICES			
Mndozo Township Roads	18 000 000	20 000 000	20 000 000
Osizweni Urban Access Roads Phase 2	14 250 000	20 000 000	20 000 000



Madadeni-Johnston Link Road	5 540 000		
JR2	1 000 000		
BR 1 Phase 3	2 000 000		
Traffic Calming Device: Speed Humps (West & East)	600 000	600 000	600 000
Traffic Signs : Safety Device	50 000	50 000	50 000
Rehabilitation of Hardwick Street	5 000 000	3 000 000	
Rehabilitation of Faraday Street	5 000 000	3 000 000	
Rehabilitation of Donga	250 000	250 000	250 000
Two Way Radios	70 000	30 000	30 000
Completion of Toucan Place Circle	180 000		
Jenkyn / Kirkland Street: Road Widening	180 000		
Slipway : Boundary to St Dominics	220 000		
Slipway : St Dominics and Kirkland	220 000		
Intersections on Allen Street	1 000 000	4 000 000	4 000 000
Improvement of pedestrian walk ways- CBD & Central	300 000	300 000	300 000
Pedestrian Walkways - Newcastle	800 000		
Amanant Parking	550 000		
Hospital Street Sidewalk	300 000		
Victoria Road Sidewalk	130 000		
Suryaville Tempe Sidewalk	120 000		
Nightingale Road and Parking	400 000		
Storm water management : panorama Drive	1 000 000		
Rehabilitation of Jenkyn Street	400 000		
Reconstruction of Roypoint cemetery road	600 000	4 000 000	
UpgradingRiver side sub station	7 000 000		
Ripple relay conversion to fibre optic	300 000		
Two way radios	25 000		
Feeder between riverside & formosa	1 200 000		
High Mast Lighting	1 800 000	1 800 000	1 800 000
Blaaubosch, Cavan & Drycut: Electrification	6 615 000		
Vehicles	5 000 000		
	80 100 000	57 030 000	47 030 000
TECHNICAL SERVICES - WATER & SEWER			
Staffardhill Waterborne Sewerage Phase 3	3 000 000		
Viljoen Bulk	37 862 982	30 676 245	
Refurbishment of Madadeni WWTP	20 000 000	20 000 000	25 000 000
	60 862 982	50 676 245	25 000 000
FINANCIAL SERVICES			
Financial System	15 000 000		
	15 000 000	0	0
COMMUNITY SERVICES			



Refuse removal to address backlogs	2 000 000		
Carports Libraries	72 000		
Office accommodation : construction and renovation of new offices	120 000		
Office furniture and equipment for new offices	40 000		
Major Fire Appliances Replacement of old appliances)	1 000 000	4 000 000	4 200 000
Recapitalisation of community libraries	285 000		
Road Marking Machine	50 000		
Road Block Trailer	250 000		
Vehicle Pound	250 000	500 000	
Identification Lamps	50 000		
Two-Way Radios (new)	70 000		
Metal Detectors	100 000		
Fire-arms for law enforcement officer	120 000		
Extension of toilets and kitchen	120 000		
Art Gallery art purchases	30 000	35 000	35 000
Concrete Mixer	6 000	6 500	7 000
Stainless steel tray	3 000	3 200	3 400
Public ablution facility	450 000	500 000	550 000
Public ablution facility (Access for disabled)	100 000	400 000	450 000
Upgrade of Phellindaba sports field	2 000 000	3 000 000	
Re-surfacing of Arbor Park, Fernwood, Paradise, Fairleigh tennis courts	500 000		
Upgrade of cemeteries (section 1 Mad)	2 000 000	5 500 000	5 500 000
Upgrade of play parks	1 500 000	2 500 000	2 500 000
Purchase of electronic burial register for cemeteries	200 000		
Purchase of new machinery and vehicles	250 000	1 500 000	1 500 000
Establishment of new playparks	1 000 000	1 000 000	1 000 000
Airport Upgrade	100 000		
Purchase Skip truck	850 000		
Bulk containers	1 000 000		
Grader with fitted grab	1 500 000		
Partition of workshop for storage of chemicals	30 000		
Purchase of tricycle with fixed container	3 000		
6 x Purchase of two way radios	42 000		
Lanfill new develop	15 000 000		7 000 000
Cemetery identification	500 000	1 000 000	
Upgrading of Charlestown Hall	500 000		
Mobile /satellite libraries	500 000		
Osizweni Stadium	1 000 000		
Blaauwbosch Sports fields	500 000		



Upgrade of Sports Field – Ngagane	1 500 000		
	35 591 000	19 944 700	22 745 400
CORPORATE SERVICES			
Replace Kombis NN 22644	400 000		
Replace NN 103	350 000		
Refurbish municipal offices	450 000	2 000 000	1 000 000
Extend municipal offices	10 000 000	15 000 000	20 000 000
Replace telephone systems		1 300 000	
Furniture and Equipment	2 000 000		
Carports and Paving: Civic Centre	650 000	250 000	
	13 850 000	18 550 000	21 000 000
PLANNING AND DEVELOPMENT SERVICES			
Urban Renewal and Township Regeneration Strategy Implementation and review	15 000 000	20 000 000	20 000 000
JBC Farms Layout Planning	500 000	500 000	1 000 000
Landscaping and improvement of Madadeni Central Business Area	200 000	4 000 000	4 000 000
Landscaping and improvement of Osizweni Central Business Area	200 000	4 000 000	4 000 000
Provision of infrastructure (Pioneer Park, Lennoxton etc)	5 000 000		
Upgrade Jakaranda Flats	500 000		
Hawker Stands	500 000		
Poverty Alleviation	2 500 000	5 000 000	
	24 400 000	33 500 000	29 000 000
TOTAL 2010/2011 CAPITAL BUDGET	229 803 982	179 700 945	144 775 400

Any further requirements are indicated on the Five year Plan as Uncommitted Projects for which funding must be sourced.

SECTION H: INTERGOVERNMENTAL RELATIONS

IGR originates from the following :

- Constitution- Chapter 3 on Co-operative Government and IGR
- Intergovernmental Relations Framework Act 13 of 2005
- Municipal Systems Act 32 of 2000
- White Paper on Local Government of 1998

Accordingly, the objectives of IGR is to co-operate with one another in mutual trust and good faith by:

- Fostering friendly relations
- Assisting and supporting one another



- Informing one another of, and consulting one another on matters of common interest
- Coordinating their actions and legislation with one another
- Adhering to agreed procedures and
- Avoiding legal proceedings against one another

The IGR Framework/Act promotes coordination by the spheres of government in implementation of policies and legislations and to ensure certainty, stability, predictability, transparency and accountability of all spheres of government.

The following IGR forums are relevant to local government :

- National Government:
 - Presidential IGR Forum
 - Cabinet and all Premiers
 - Provincial IGR Forum
 - Premier and all District Mayors
 - District IGR Forum
 - All Mayors and Municipal Managers in the District
 - Inter-municipal IGR Forum
 - All local municipalities in the District and neighbouring municipalities

Within the Newcastle Context, IGR remains a challenge to ensure proper alignment and co-ordination to achieve the key principles of intergrated development planning.

IGR TECHNICAL TASK TEAM CLUSTERS

For this purpose, and IGR Technical Task Team was established in October 2010 with the following objectives :

- Technical structure consisting of municipalities in the District, all sector departments, stakeholders (parastatals)-decision makers
- Formalisation of a structure-terms of reference
 - Programmes and projects within the Newcastle Municipality jurisdiction and alignment thereof
 - Mechanisms of communication within the structure
 - PROPOSED Clustering of departments and stakeholders into focus areas as illustrated below :



	CLUSTER					
	GSD	CI	SEGJC	SS	HC	HSS
Agriculture			X			
Arts and Culture		X	X			
Community safety Liason	X			X		
Correctional Services				X	X	
DLGTA	X	X	X	X		
DWA		X				
Economic Development			X		X	
Education		X			X	X
GCIS						
Health		X				X
Home Affairs				X	X	
Housing		X				
Justice				X		
Labour			X			
Public Works	X	X				
Rural Development	X	X				
SANDF				X		
SAPS				X	X	
Social Development				X	X	X
Sports and Recreation		X			X	
Transport		X	X			
Newcastle Municipality						
<i>Administration</i>	X					
<i>Community Services</i>		X		X		X
<i>Development Planning</i>		X	X			
<i>Finance</i>	X	X	X	X	X	X
<i>Technical Services</i>		X	X			
<i>Office of MM</i>	X	X	X	X	X	X
Clusters Abbreviated			Sector			
Governance and Service Delivery		GSD	Governance and Administration			
Community Infrastructure		CI	Social and Economic			
Sustainable Economic Growth and Job Creation		SEGJC	Economic			
Human Capability		HC	Governance and Administration			
Health and Social Support		HSS	Social Sector			
Safety and security		SS	Security			

Table 73 Proposed IGR Cluster

The outcomes of the IGR indaba resulted in :



- Development of an IGR Action Plan (Annex)
- Submission of Multi year projects and programmes by sector departments .

SECTOR DEPARTMENT PROJECTS

The sector departments that co-operated with submission of projects in the Newcastle Municipal Area are tabulated below :

Table 74 : Sector Department Projects

Department of Agriculture and Environmental Affairs							
Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
ISizwesivumelene (150Ha) Maize Project	R 3 400 000					7- Inverness	30% complete
Memezani Beef Feedlot	R 255 000					13	SCM (Procurement)
Mpondokazishi Hydroponics (6 tunnels)	R 2 400 000					2- Ingogo	SCM (Procurement)
Charlestown Hydroponics (6 tunnels)	R 2 400 000					1- Charlestown	90% Complete
Ndazela Layer project (500 Bird Unit)	R 500 000					10	SCM (Procurement)
Sakhisizwe Nursery	R 250 000					7- Section 4 Madadeni	90% complete
Hilda Ongcwele Hydroponics (1 Tunnel)	R 250 000					15- Blaaubosch	SCM (Procurement)
Food security	3500000		1000000	1500000	2000000		
Massification	11400000		3600000	3800000	4000000		



Livestock Improvement	1600000		R 500 000	R 600 000	R 500 000		
Mushroom	3500000		R 100 000	R 1 500 000	R 200 000		

Department of Arts and Culture

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Providing Support to Arts and Culture Forum	R 20 000.00					Library Madadeni-Ward 23	On going
Moral Regeneration	R 30 000.00					Ekuseni Prison Newcastle L/M	Phase 1 completed
MSD	R 151 280.00					All wards participated	On going
Social Cohesion (Multicultural expose)	R 145 000.00					Fort Amiel Museum - Newcastle L/M	completed
Performing art Promotion	R 20.00					Madadeni (Phelandaba) Ward 23	On going
Disabled People's Workshop	R 30 000.00					Osizweni Hand Craft Centre	On going
Library Material						Madadeni (24) Osizweni (11) Newcastle (4) Fairleigh (25) Lennoxton(3)	Ongoing supply through library exchanges from Depot (North)
Internet@your library	Cyber café set up R66 875					Madadeni (24)	All cybercafes operational
	Cybercadet salary					Osizweni Ward (11) Newcastle Ward(4)	



Providing Support to Arts and Culture Forum	R 20 000.00		R 22 000.00	R 24 200.00	R 26 620.00		
Moral Regeneration	R 30 000.00		R 33 000.00	R 36 300.00	R 39 930.00		
MSD	R 151 280.00		R 166 408.00	R 183 048.80	R 201 353.68		
Social Cohesion (Multicultural expose)	R 145 000.00		R 159 500.00	R 175 450.00	R 192 995.00		
Performing art Promotion	R 20 000.00		R 22 000.00	R 24 200.00	R 26 620		
Disabled People's Workshop	R 30 000		R 33 000.00	R 36 300.00	R 39 930.00		
Carnegie Art Museum Fort Amiel Museum (Subsidy to affiliated Museum)	R 72 000		R 72 000	R 72 000	R 72 000		

Community Safety and Liaison

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Drug Free Generation Youth Imbizo	R1.5 million					Amajuba District	An Imbizo was held at Amajuba FET College Sports ground on 09 April 2009; and was attended by 5 000 youth in school and out of school.
Safe Tea (programme for the Elderly) -2008/9							
Women's Day Celebration on 13 August 2009 at the Newcastle Show Hall							
Women Safety Audit (WSA)							



Volunteer Social Crime Prevention Programme (VSCPP)	R4, 727, 272					All local municipalities with the Amajuba District	Currently a total of 166 volunteers are deployed and a further 79 has been recruited, will be trained before recruitment
2010 Community Mobilisation Campaign	R250, 000					Newcastle Municipality	The project will be conducted in February 2010
School Safety	R 250 000		R 100 000	R 150 000	-		
Traditional Leadership Capacity Building	R 200 000		R 200 000	-	-		
Volunteer Social Crime Prevention Programme (VSCPP)	R15, 095, 452		R4, 727, 272	R5, 059, 090	R5, 309,090		
Awareness campaigns to promote civic pride	R300, 900		R150, 900	R150, 000	-		

HOUSING

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Osizweni E Phase 2			R 27 392 232	R 26 738 880	26 738 880		Feasibility
Khathide Phase 2	112079000						Identified
Charles town	34650000						Identified
Ingqayizivele							Identified
Osizweni Phase 1							
Osizweni E Phase 3	15892400						Construction Started



Madadeni Unit K- 2							Close Out
Kwamathukusa							Construction 75%
Osizweni F Phase 2							Close Out
Osizweni F Phase 1	5939185.5						Close Out
Osizweni D & E	7375000						Close Out
Emawozeni Housing Project							Rural Intervention
Fairlegh/ Siyahlala - la Housing Project							Rural Intervention
Madadeni H 39 Housing Project							Rural Intervention

KZN ECONOMIC DEVELOPMENT AND TOURISM(ICT,ELECTRONICS & BPO)

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographica l Location (Ward/Area)	Project/ Programme Status
Software Engineering Centre (Amajuba FET)	R6 million				Newcastl e	Centre established	
	(5 years)				Central Campus	Tuition has commenced in July 2009	
Newcastle Call Centre	R4,8 million				Central	Call Centre established	
					Amcor Street	Finalising agreement with investor	
Newcastle Incubator	R 250 000				N/A	Feasibility Study will be conducted and concluded by end of March 2010	
Provincial Broadband Project							



Municipality Broadband Programme							
ICT Incubator							
IT Park							
Newcastle ICT Skills Programme							
Software Engineering programme	R3,75 million	R1, 25 million	R1, 25 million	R1, 25 million			
HEALTH							
Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Data Capturer	R 191 400.00					Sub-district	
Youth ambassadors	R 316 800.00					Sub-district	
Mothers to mothers-to-be	Voluntary					Sub-district	
SA clothing and textile workers union	R 50 000.00					Industrial areas of Newcastle	
Khomanani	R 230 400.00					Work place	
Health Promoting Schools	Voluntary					Madadeni, Charlestown , Osizweni, Newcastle	
Health promoting clinics	PHC budget					Newcastle PHC	
Department supported Garden projects	R 69 210.00					Community facilities	



Bursaries	R 709 450					Non-serving staff	
Tenders awarded: Apr-Sept	R 562 475					80 BEEs	
High transmission area VCT services	Hiv/Aids Budget					Newcastle Taxi Rank	
Rosary clinic upgrade	R6m	X					
Madadeni clinic 7	TBC	X					
Ingogo clinic	R5m		X				
Madadeni hospital revitalization	R100m			X			

HOME AFFAIRS

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Compensation of Employees	R4,158,000						
Goods and Services	R963,000						

Justice and Constitutional Development

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Secure a pool of Foreign Interpreters to assist with interpretation of various languages during Court proceedings including confessions. This includes all African languages eg. Swahili, Urdu, Arabic, Japanese,							



Taiwanese, Ibo, French, Sotho, Shangane, Xivenda etc.							
Budget cost implication: Office running budget.							
• Implement Victims Support Programmes for the Victims of Crime							
Public Awareness							
Running a full manned Helpdesk and distributing of relevant information pertaining to Victims Charter and Batho Pele							
– Involvement to Community Projects							
– Suggestion boxes							
– Wearing of name badges by all DOJ Staff members							
– Estimated costs: Office running Budget							
• Ensure the effectiveness and efficient of the Justice System:							
Improvement of the Child Support System through Operation Isondlo.							
Full utilization of Maintenance Investigators							
Tracing of beneficiaries and defaulters							
Establishing of Maintenance forums							



Payment of Maintenance through EFT							
• Estimated costs: Office running Budget							
• Justice on the Move							
Educate the Public on services rendered by the DOJ & CD and how to access those services.							
On the spot assistance (basic advise on Maintenance, Domestic Violence, Small Claims, Equality Court etc.)							
Making referrals and follow ups in terms of the Magisterial Jurisdiction regarding the above matters.							
• Open Court Day:							
Offering Career guidance to School children.							
Mock Court							
• Women Empowerment (August):							
Womens' Summit (Women from all walks of life)							
Empowering women on how to contribute in the upliftment of Society.							
• Estimated costs: Possibility of							



co-hosting will be investigated							
• Access to Justice (August):							
Reaching out to the Community by rendering basic legal advise (SAWLA, NADEL, BLA, Legal Aid and other role players)							
Estimated costs: R2 000.00							
• Heritage Commemoration:							
Observe diverse cultures and promote tolerance and acceptance of different races.							
Estimated costs: Possibility of co-hosting will be investigated							
• 16 Days of Activism:							
Take a stand against abuse of Women and Children							
Strengthen partnership between Government and Civil Society in the elimination of abuse against Women and Children							
DEPARTMENT OF LABOUR							
Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Blitz Inspections	0				Newcastle		86% Compliance Level



Blitz inspections (Madadeni, Osizweni, Normandien, Ingogo, Charlestown)							
DEPARTMENT OF PUBLIC WORKS							
Project/ Programme	Project Cost	2009`10	2010'11	2011'12	2012/13	Geographica l Location (Ward/Area)	Project/ Programme Status
Enkululekweni P/School	6,500,000,0 0					Osizweni	Construction
Sekusile S/Sec/School	3,250,057.0 0					Osizweni	Construction
Newcastle Hospital	16,000,000, 00					Newcastle	Construction
Osizweni Clinic No 3	3, 280,000,93					Osizweni 03	Construction
Newcastle SAPS Mortuary	9,377,000,0 0					Newcastle	Construction
Newcastle School of Industries	35, 000,000,00					Newcastle	Construction
Amajuba District Office	4, 200,000,00					Newcastle	Construction
Madadeni 1 Clinic	R1, 500,000.00					Madadeni 1	Construction
Madadeni 7 Clinic	R3, 000,000.00					Madadedni	Pending Award of Contractor
Madadeni Mortuary	R17, 900,000.00					Madadeni Mortuary	Construction
113 Panorama Drive	R10, 000,000.00					Newcastle	Construction
Khethokuhle Primary School	R32, 000,000.00					Osizweni	Pending advertising
Vumanisabelo	R15, 000, 000.00					Osizweni	Construction
Vulindlela Primary School	R5, 500, 000.00					Osizweni	Construction



Ingogo Clinic	R14,700,000.00					Ingogo	Design
Rosary Clinic	R5,00,000.00					Osizweni	Design
Newcastle Hospital – Pharmacy & Physio	R25,000,000.00					Newcastle	Design
Greenock Clinic	R1,844,000.00					Newcastle	Construction
Mndozo Clinic	R1,730,000.00					Newcastle	Construction

Rural Development and Land Reform

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Esmere/Harterivier Farm	R 190,000.00					Transferred	
Ingogo	R 285,800.00					Transferred	
Schaapvlakte	R160,00.00					Transferred	
Leokop East	R53,720.76					Transferred	
Nomsa/Smakho	R720,771.50					Transferred	
Wykom Farm	R61,963.20					Transferred	
SJ Zwane	R100,000.00					Transferred	
Border Farm	R 742 266.75					Transferred	
Buffalo River	R 71 409.10					Transferred	
KwaCekwane	R2,167 515.00						
Mpondokazishi	R1,800,000.00						



Tennyson No 6779	R1,340,000.00					
Harterivier/Mdlovu Community	R2,868,896.00					
Sterkfontein/Inkululeko/Mossdale Community	R280,280.00					
Esmere/Harterivier Farm	R250,000.00	R250,000.00				
Ingogo	R34,200	R34,200				
Schaapvlakte	R797,729.12	R398,864.06	R398,864.06			
Leokop East	R306,279.24	R306,279.24				
Nomsa/Smakho	R319,228.50	R319,228.50				
Wykom 2	R40,665.51	R40,665.51				
Sterkfontein/Inkululeko/Mossdale Community	R287,720.00	R287,720.00				
Border Farm	R 92,000.00	R 92,000.00				
Buffalo River	0					
KwaCekwane	R3,951,478.00	R1,975 739	R1,975 739			
Mpondokazishi	R1,279,282.60	R639,641.30	R639,641.30			
Tennyson No 6779	R2,883,776.00	R961,258.66	R961,258.66			
Harterivier/Mdlovu Community	R2,879,330.00	R959,776.66	R959,776.66			

SOCIAL DEVELOPMENT

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
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Poverty Alleviation/Youth Development/soup kitchens						Ward 1-31	Operational
Musawenkosi Shelter for Street Children						Madadeni	Operational
						Ward 21	Currently – 32 children
Thembelihle Shelter for Street Children						Newcastle	Operational
						Ward 23	Currently – 34
Madadeni Rehabilitation Centre						Madadeni	Operational
						Ward 21	Capacity – 100
02 RAR centres						Madadeni court	operational
Reception, assessment, referral						Newcastle court	
• 25 Service centers	11.00p.p					Ward 1 - 31	Registered and operational
Older Persons							
69 Crèches	12.00p.p					Ward 1 - 31	Registered and operational
Children							
06 HCBC sites	Varies acc to business plans					02 – Newcastle	Operational
						01 – Osizweni	
						02 - Madadeni	
						01 - Charlestown	
Osizweni Handicraft Centre						Osizweni	Operational(Cur rently 102)



Newcastle School of Industries(Capacity - 100)						Newcastle	Operational
St Anthony's Children's home(Capacity 100)						Madadeni/Bl aauwbosch	Operational
LaGratitude Old age Home (Capacity - 112)						Newcastle	Operatioanl –
Secure Care Centre		X					
Registration of 08 new crèches		X					
Youth Programme at Madadeni Rehab		X					
Amajuba Youth		X					
One Stop Centre at OHC							
Registration of 08							
New Service Centers		X					
One stop Centre at Mndozo			X				

SOUTH AFRICAN POLICE SERVICES

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographica l Location (Ward/Area)	Project/ Programme Status
Mental Health / Drug Awareness : October							
Domestic Violence Prevention: November							
Festive Season : December							
New Years Eve Celebrations / Awareness :							



January							
Child Abuse Awareness : School Visits : February							
Human Rights vs Policing Education							
March							
Awareness on Fraud (Easter) April							
School Closure : Housebreaking : Jun							
Housebreaking, Theft out of motor vehicle : July							
Women's Day Celebrations							
Drug , Crime Awareness, Crime against Woman and Children : Aug							
Sexual Offences Awareness : Sept							
Cultural Activities Crime Awareness : Sept							
Mental Health / Drug Awareness : October							
Domestic Violence Prevention: November							
Festive Season : December							
New Years Eve Celebrations / Awareness : January							
Child Abuse Awareness : School Visits : February							

Department of Sport and Recreation



Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographica l Location (Ward/Area)	Project/ Programme Status
Disability Sport Power Lifting Coaching Clinic	5,400.00						
Athletics Beginners Cross Country Coaching Course	13,050.00						
Golf Coaching Course	12,840.00						
Amajuba Rugby Festival	15,000.00						
Youth Festival	28,750.00						
Amajuba Women's Rugby Course	10,500.00						
Wheelchair basketball coaching clinic level one	6,000.00						
Rugby Tournament	24,500.00						
Women's Day Festival	28,750.00						
Interdepartmental games	25,000.00						
Learn to swim	17,050.00						
Golf Coaching Clinic	7,200.00						
Equipment Purchase for lifesaving	10,000.00						
Disability Sport Games	12,350.00						
Disability Sport Games	12,350.00						
Cricket equipment purchase	2,020.00						
Cricket Umpiring Course	4,445.00						



Cricket Coaching Course Level one	10,390.00						
Tennis Coaching Clinic	5,000.00						
Cricket Scoring Coaching Course	3,145.00						
Chelmsford Challenge	9,000.00						
SSMPP	450,000.00						
C MPP	350,000.00						
Infrastructure	1,500,000.00						
CLIENT SERVICES	345,000.00						
RECREATION	310,000.00						
SSMPP	2,500,000.00						
LEGACY	200,000.00						

Department of Transport

Project/ Programme	Project Cost	2009'10	2010'11	2011'12	2012/13	Geographical Location (Ward/Area)	Project/ Programme Status
Emoyeni Road	867,126.00					Emoyeni	35%
Vaalbank Road	867,126.00					Vaalbank	35%
P446 Road Extension	465,000.00					Dannhauser (Gardens)	100%
Zwanesthathwa Road	867,126.00					Hilltop	45%
Allen Causeway	100,000.00					Allen	95%



Magade Causeway	465,000.00					Magade	98%
Umzimkhulu causeway 1&2	193,000.00					Mzimkulu Area	10%
	4,617,295.						
D1340 Causeways			300 000				
Moyeni Causeways			300 000				
D1341 Causeways			300 000				
Currah Causeways			300 000				
Mfundweni Causeways				315 000			
Doringkop Causeways				315 000			
Gouden Causeways				315 000			
Inverness Causeways				315 000			
Jonestone Causeways					330 750		
D1335 Causeways					330 750		
Nkanini Causeways					330 750		
Mourne-Rutland Causeways					330 750		
Newcastle (various) regravelling			645 563	677 841	711 733		
P270 regravelling			425 000				
L1433 Koppie AL regravelling			425 000				



D423,D541 regravelling			425 000				
D541 regravelling				446 250			
D1331 regravelling				446 250			
D401 regravelling				446 250			
P206 regravelling					468 562		
D280 regravelling					468 562		
D270 regravelling					468 563		
Eastbourne Rd Patch gravelling			R 444 626.00				
Spookmill Rd Patch gravelling			R 444 626.00				
Drangaan 1&2 Patch gravelling			R 444 626.00				
P296 Patch gravelling			R 0.00				
D109 Patch gravelling				R 466 857.00			
D270 Patch gravelling				R 466 857.00			
D112 Patch gravelling				R 466 857.00			
D541 Patch gravelling				R 0.00			
P205/1 Patch gravelling					R 490 200.00		
P205/2 Patch gravelling					R 490 200.00		
D97 Patch gravelling					R 490 200.00		



Warrick Rd Patch gravelling					R 0.00		
P35/2 Resealing			7,3km				
P39 Resealing				15km			
P483 Resealing					28km		
P 483, P 204, P35/1,P34/1 Remarking and Studs			R 400 000.00				
P 211, P279, P210, P39 Remarking and Studs			R 400 000.00				
P 241, P211, P39/1, P35/2 Remarking and Studs				420000			
P 211,P279, P210, P39 Remarking and Studs				420000			
P 204, P35/1 Remarking and Studs					441000		
P 296, P272 Remarking and Studs					441000		

THE PREMIER'S FLAGSHIP PROGRAM – WAR ON POVERTY

This is a key IGR intervention to allow for intergovernmental co-ordination and integration.

The KwaZulu-Natal Provincial Index of Multiple Deprivation consist of five domains within each PIMD, and their interpretation is described below:

- Income and Material Deprivation
- Education Deprivation



- Living Environment Deprivation
- Employment Deprivation
- Health Deprivation
- The Overall PIMD Score

Amajuba District does not have the most deprived wards hence the focus for Newcastle will only start in Wards 6, 12 & 15 which mainly focuses on moderately deprived wards. For the purposes of this programme, all wards will be targeted starting in year 2009/2010 with the service packages of services differing between the two levels of categorized wards.

It must be noted that the less intense package of services that will be received in the last two categories will be intensified over the MTEF period. The least deprived wards in Amajuba have pockets of poverty within the wards which requires comprehensive services.

The Department of Health have been Identified as the facilitating/champions for the Amajuba District. The program will involve a profiling exercise and then targeted services based on the outcomes of the profiling exercise.

A Flagship team that meets alternative Fridays is established, with meetings being attended by the MEC for Health and chaired by the District Health Manager. Representatives from all government departments and the Local Municipality attends these meetings, and work in the War rooms to ensure quality control of the profiling exercise and co-ordination of efforts in respect of the interventions.

SECTION I: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM AND SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) -

Performance Management Framework



In terms of the Municipal Systems Act (as amended), municipalities are required to prepare an Annual Performance Report that is to form part of the Annual Report to be prepared in terms of the Municipal Finance Management Act. This has been complied with and is included as Appendix J.10.

Purpose of a Performance Management System

The Department of Provincial and Local Government defines PMS as " a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organization(municipality) in terms of indicators and targets for efficiency, effectiveness and impact."

A PMS is also intended to assist the Council to improve service delivery by channeling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives as contained in its IDP.

A PMS should fulfill the following objectives:

- Facilitate increased accountability
- Facilitate learning and improvement
- Provide early warning signs
- Facilitate decision making

Legislative Requirements

The legislative requirement for the development of PMS includes the Constitution, The Municipal Systems Act, the Municipal Finance Management Act, Municipal Planning and Performance Management Regulations, the White Paper on Local Government and the Batho Pele principles. However, the main regulatory mechanism for Performance Management System is Chapter 6 of the Municipal Systems Act, (Act 32 of 2000) and the related Municipal Performance Management Regulations and Municipal Finance Management Act.

The MSA requires that all Municipalities:

- develop a Performance Management System,



- set target and monitor and review performance based on indicators linked to their IDP;
- Prepare an Annual Performance Report on the performance of a municipality forming part of its Annual Report as required in terms of the MFMA;
- Incorporate and report on a set of general/national indicators prescribed by the Minister responsible for local government
- Conduct on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators, targets and reviewing of municipal performance

The Municipal Planning and Performance Management Regulations further details the requirements of a PMS.

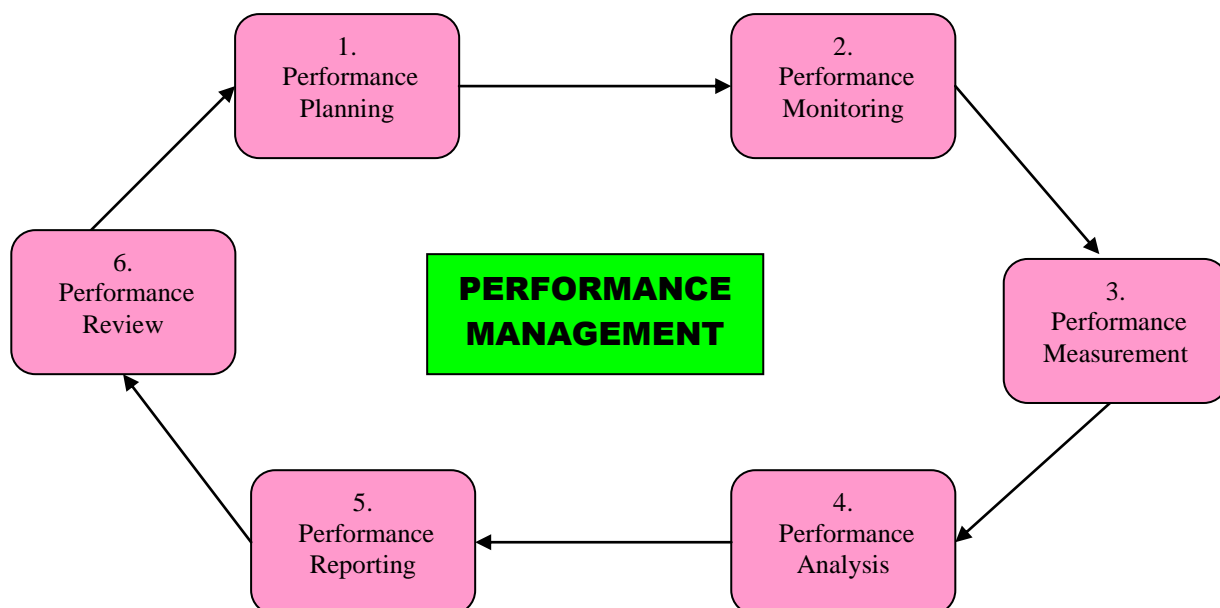
Development of Performance Management Framework

In compliance with Municipal Systems Act (Act 32,2000) as well as the Municipal, Planning and Performance Regulations, 2001, and in consultation with the community and community stakeholders a Performance Management Framework was developed and approved by Council.

The framework describes how the municipality's performance cycle in respect of planning, monitoring, measurement, review, reporting and improvement will be conducted. It also specifies the institutional arrangements for the management of PMS, and includes the roles and responsibilities of the respective role-players. The framework was approved by council and was advertised in the press for community input.

The following figure illustrates the PMS cycle as specified in the approved Framework :

Figure 29 : Framework Cycle



IDP, Budget, PMS integration through SDBIP's

At a strategic level, the IDP Priorities are aligned to the National Key Performance Areas.

Organisational objectives in terms of the IDP, is incorporated into the Organisational PMS by developing applicable indicators for measuring of performance and then setting of targets(within the available resources as specified in the Budget). All of this is consolidated into an Organisational Score-card in line with the NKPA Model selected as specified in the Framework mentioned above to allow for measuring and reporting of performance at an Organisational/Strategic level.

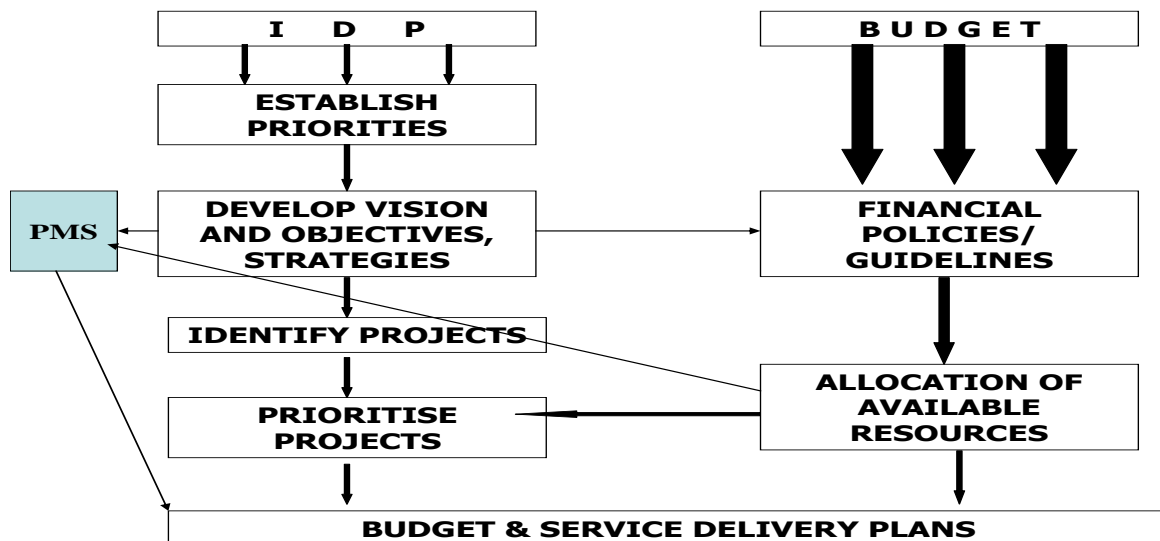
The Organisational Score-card is then unpacked at a departmental/Vote level and informs the development of Service Delivery Budget Implementation Plans (SDBIP's) to allow for performance reporting at an operational level as is required in terms of the MFMA. Ideally, the SDBIP aligns itself with Powers and Functions, Objectives of the Department aligned to IDP and the allocated budget, relevant indicators and targets.

The Service Delivery Budget Implementation plan is then cascaded into Section 57 Performance Agreements.



All of these performance reports are then consolidated into the Annual Performance Report that forms a component of the Annual Report as prescribed in the MFMA.

Table 75 : IDP/Budget/PMS Link



Monitoring, Evaluation and Review

In terms of the PMS Framework, at the end of every quarter Directorates are expected to submit to the Office of the IDP Manager their completed Organisational Scorecard and SDBIP's for further submission to Internal Audit. Internal Audit thereafter submits to the External Audit Committee, which in turn reviews the PMS and submits recommendations thereon to the EXCO. In the absence of a functional Internal Audit unit, reports were submitted directly to the Municipal Manager, Audit committee and EXCO. An audit review was conducted for the Mid-year assessment only.

The above process is intended to allow the municipality to monitor, evaluate and review its performance based on the National and its own IDP key performance areas.

The following table, derived from both the legislative framework for performance management and PMS framework, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to the Municipality:



Table 76 : PMS Reporting requirements

Report	Frequency	Submitted for consideration and/or review to	Remarks
1. SDBIPs	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organisational Scorecard	Quarterly	Executive Committee	This PMS framework (see section 7.5.1 above)
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
6. Annual report	Annually	Council	See chapter 12 of the MFMA

The present process is as follows:

1. A planning template is approved as part of the Budget Process (i.e Organisational score-card and SDBIP as per the Framework)
2. A reporting template per departmental SDBIP for each quarter is developed by the IDP/PMS office and forwarded to all departments for completion and submission by the 07th of the month after the end of the quarter
3. The Actuals on the SDBIP is then captured into the Organisational Score-card for reporting, monitoring, evaluation and review purposes
4. SDBIP meetings are arranged for each department for evaluation by the Municipal Manager within the month after the end of the quarter
5. The final reviewed score-cards are forwarded to the Audit Committee
6. At Mid-year a mid-year assessment and review is carried out on organization n and departmental performance



7. The S57 score-cards are accordingly updated and evaluated either by the Municipal Manager or in the case of the Municipal Manager the appointed Evaluation Committee
8. The Annual Performance Report is prepared based on the evaluated and reviewed 4th quarter score-cards

The Automated PMS links the Section 57 Performance Plans to Organisational Performance and the IDP and performance against National KPA's. The system will go live on finalization of the acquisition of the new financial system.

A Performance Management Calendar has been developed to assist all PMS role players in complying with legislative requirements and is summarized below :



NEWCASTLE MUNICIPALITY							
PERFORMANCE MANAGEMENT CALENDAR							
MUNICIPAL FINANCIAL YEAR : JULY TO JUNE							
				COLOUR CODING	Previous year		
					Current Year		
					Next Year		
						TARGET DATES	
QUARTER	MONTH	PURPOSE	ACTION	OUTPUT	RESPONSIBLE MANAGER	START	END
QUARTER 1	JULY	Annual Reporting and evaluation (Previous Financial Year) (MSA S 40)	Annual reporting by departments for year ending June against SDBIP's and NKPI's	Completed SDBIP's as at June and Portfolio of Evidence	All SED's	01-Jul	10-Jul
			Annual Evaluation of SDBIP and Section 57 employees (Informal)	Informal scoring of Performance for SDBIP's and section 57's	Municipal Manager/PMS/ Mayor	11-Jul	15-Jul
			Annual Evaluation of Section 57 employees(Formal)	Formal Section 27 employee evaluation report by Evaluation Panels	Municipal Manager/PMS Manager/Mayor	16-Jul	20-Jul
			Submission of Report to Mayor/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	20-Jul	30-Jul



	AUGUST	Monthly Reporting (MSA S40)	Monthly July reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Aug	10-Aug
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Aug	15-Aug
			Monthly July performance report to Mayor/EXCO	Report to Mayor/EXCO	Municipal Manager/PMS	16-Aug	31-Aug
		Annual Performance Report (MSA S46)	Annual Review of PMS (MSA Sec.40) AG's Audit of performance measures(MSA Sec. 45)	Formal Submission of Annual Performance Report to Auditor General	Municipal Manager/PMS Manager	01-Aug	31-Aug
			Annual Review of performance of Municipality (submit performance report)(MSA s Sec. 46) Review of perf rept by Audit Committee	Formal Submission of Annual Performance Report to Internal Audit for onward submission to Audit Committee	PMS Manager/Internal Audit	01-Aug	31-Aug
	SEPTEMBER	Monthly Reporting (MSA S40)	Monthly August reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Sep	10-Sep
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Sep	15-Sep
			Monthly performance report to Mayor/EXCO/Internal Audit	Monthly Performance report	Municipal Manager/PMS	16-Sep	30-Sep
QUARTER 2	OCTOBER	QUARTERLY REPORT	Quarter 1 (July - Sep) Performance Report to Municipal Manager	Completed SDBIP's as at September and Portfolio of Evidence	All Departments	01-Oct	10-Oct
			Quarterly evaluation of Performance (SDBIP and	Quarterly SDBIP Report and Portfolio of Evidence	Municipal Manager/PMS	11-Oct	15-Oct



IDP REVIEW 2010'11

QUARTER 3			capital) and Section 57's				
			Quarterly performance report to Mayor/EXCO	Quarterly performance report to Mayor/EXCO	Municipal Manager/PMS	16-Oct	31-Oct
			Quarterly performance report to internal audit for onward submission to Audit Committee	Quarterly performance report to Internal Audit	PMS Manager/Internal Audit	16-Oct	31-Oct
		Appointment of Audit Committee	Annual appointment of Audit committee (MPPR Reg.14)	Appointment of Audit Committee	Municipal manager/internal Audit	01-Oct	31-Oct
	NOVEMBER	Monthly Reporting (MSA S40)	Monthly October reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Nov	10-Nov
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Nov	15-Nov
			Monthly performance report to Mayor/EXCO/Internal Audit	Monthly Performance report	Municipal Manager/PMS	16-Nov	2009/11/31
	DECEMBER	Monthly Reporting (MSA S40)	Monthly November reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Dec	10-Dec
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Dec	15-Dec
			Monthly performance report to Mayo/EXCO	Report to Mayor/EXCO	Municipal Manager/PMS	16-Dec	31-Dec
	JANUARY	Mid Year Assessment	Mid Year Performance reports on SDBIP's and Capital Program as at December	Mid Year Performance report	All SED's	01-Jan	10-Jan



			Mid Year Performance Evaluation	Mid Year Performance report	Municipal Manager/PMS	11-Jan	15-Jan
			Mid Year Performance Assessment to Mayor	Mid Year Performance Assessment	Municipal manager/CFO/PM	16-Jan	25-Jan
		Draft SDBIP for next financial Year	Preparation of Draft SDBIP's in line with Draft Budget Submissions for next financial Year	Draft SDBIP's	All SED's	01-Jan	31-Jan
		Tabling of Annual Report	Tabling of Annual Report to include Annual Performance Report as a component	Annual Report	Public Relations Officer	01-Jan	31-Jan
	FEBRUARY	Monthly Reporting (MSA S40)	Monthly July reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Feb	10-Feb
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Feb	15-Feb
			Monthly performance report to Mayo/EXCO	Report to Mayor/EXCO	Municipal Manager/PMS	16-Feb	28-Feb
		Draft SDBIP for next financial Year	Internal Consultation on draft SDBIP's to ensure alignment and integration to IDP and Budget	Draft SDBIP's for tabling to EXCO/Council	Municipal Manager/PMS	01-Feb	28-Feb
	MARCH	Monthly Reporting	Monthly July reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's	01-Mar	10-Mar
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Mar	15-Mar



QUARTER 4			Monthly performance report to Mayo/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	15-Mar	31-Mar
		SDBIP FOR NEXT FINANCIAL YEAR	Community Consultation of Draft SDBIP's in line with IDP/budget Roadshows	Inclusion of Draft SDBIP's in Budget Brochure	PMS Manager/PPC/P RO	01-Mar	27-Mar
			Incorporation of comments received	Final SDBIP's	PMS Manager/CFO/ All departments	27-Mar	31-Mar
	APRIL	QUARTERLY REPORT	Quarter 1 (July - Sep) Performance Report to Municipal Manager	Completed SDBIP's as at September and Portfolio of Evidence	All SED's	01-Apr	10-Apr
			Quarterly evaluation of Performance (SDBIP and capital) and Section 57's	Quarterly SDBIP Report and Portfolio of Evidence	Municipal Manager/PMS	11-Apr	15-Apr
			Quarterly performance report to Mayor/EXCO	Quarterly performance report to Mayor/EXCO	Municipal Manager/PMS	16-Apr	30-Apr
			Quarterly performance report to internal audit for onward submission to Audit Committee	Quarterly performance report to Internal Audit	PMS Manager/Internal Audit	16-Apr	30-Apr
		SDBIP FOR NEXT FINANCIAL YEAR	Approval of SDBIP's to be included with Final IDP and Budget, Performance Agreements for section 57's	Final SDBIP's and conclusion of Performance Agreements for section 57's	Municipal Manager/PMS Manager/Mayor	01-Apr	30-Apr
	MAY	Monthly Reporting (MSA S40)	Monthly April reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All SED's		
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-May	15-May
			Monthly performance report to Mayo/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	16-May	31-May



		SDBIP FOR NEXT FINANCIAL YEAR	Submission of Approved SDBIP's and PA's to Province, Provincial Treasury, on website, Local Paper Advert	Submission of Approved SDBIP's and PA's to Province, Provincial Treasury, on website, Local Paper Advert	PMS Manager	01-May	10-May
	JUNE	Monthly Reporting	Monthly May reports on performance to Municipal Manager's Office (SDBIP's and Capital)	Monthly reports for monitoring purposes	All Departments	01-Jun	10-Jun
			Monthly monitoring of performance	Informal monitoring of performance for July	Municipal Manager/PMS	11-Jun	15-Jun
			Monthly performance report to Mayo/EXCO/Internal Audit	Report to Mayor/EXCO	Municipal Manager/PMS	16-Jun	30-Jun



Service Delivery Budget Implementation Plan 2010/11

Service Delivery Budget Implementation Plans (SDBIP's) form the link between the IDP, the Performance Management System and the Municipal Budget. It is also a management tool that encourages introspection on why and how services are rendered. This therefore ensures understanding of organisational and operational performance, which will be used to evaluate and review planning for the future.

The Newcastle Service Delivery and Budget Implementation Plan capture the key programme, projects and milestones for the 2009/10 financial year. It has been informed by the IDP Review and the approved budget for the 2009/2010 financial year. A review at mid-year was necessary due to adjustments in budget and efforts to further re-align to the budget.

This process was repeated with the draft budget for 2010/11 with the Draft SDBIP being annexed to this IDP Review – to be further refined after budget approval by the end of May 2010.

The SDBIP also serves as the kernel of the annual performance contracts for the Municipal Manager and the Managers reporting directly to him. It provides also the foundation for the overall quarterly and annual organisational performance of the Municipality.

The approved SDBIP seeks to create a semblance of coordination of the developmental activities undertaken by the municipality and clear service targets. It sets targets on how we will progressively respond to the service delivery targets for the year , whilst simultaneously responding to the local government service requirements of our communities. This is measured by determining specific key performance indicators for each departmental objective as outlined in the SDBIP, linked to specific organisational objectives. It should be noted that each organisational objective is linked to any one of the five (5) National Key Performance Areas(KPA's) as defined as municipal objectives in terms of the Constitution. The National KPA's are :

- Basic Services
- Institutional Transformation and Development
- Financial Viability
- Good Governance and Public Participation
- Local Economic Development

Monitoring, reporting and evaluation of the SDBIP's will be carried out through monthly, quarterly and mid year performance reporting in line with the



approved Performance Management Framework and relevant legislation. This will then culminate into an Annual Performance Report for 2009/2010.

Mid Year Performance Assessment 2009/10

The Mid Year Performance Assessment is was submitted with the following recommendations for improvement

Summary of performance per departmental SDBIP is highlighted hereunder:

	SCORE							
DEPARTMENT	1	2	3	4	5	Total no. Of KPI's	Average Score	Pro-Rata Budget Performance
Municipal Manager	0	0	21	4	6	31	3.52	72,11%
Community Services	0	2	41	11	23	77	3.71	93,26%
Corporate Services	1	2	9	2	6	20	3.50	92,89%
Finance	0	0	14	1	3	18	3.39	39,57%
Development Planning and Human Settlements	0	1	10	16	4	31	3.74	117,32%
Technical Services	0	0	17	7	7	31	3.94	97,88%
Organisational								94,81%

Table 77 Mid Year Performance Assessment 2009/10

- (a) That Directorates ensure more alignment between the IDP, PMS and Budget Process
- (b) That co-ordination internally be improved immediately through the Office of the Municipal Manager



- (c) That Directorates re-align the Mid-Year Review to Monthly Projections of expenditure on the Operational and Capital budget based on the Midyear assessed SDBIP's
- (d) That it be noted that the Audit Committee is dysfunctional and the Mid –year Assessment be referred to the Oversight Committee for further recommendations for immediate implementation
- (e) That monthly monitoring of SDBIP's and Capital Program through the respective Portfolio Committees be effective immediately
- (f) That SED's comply with monthly reporting requirements to ensure compliance with all targets
- (g) That the financial system and performance management system be re-aligned to ensure accurate performance reports are prepared and submitted
- (h) That the number of cost centres on the budget be rationalized and aligned to the organizational structure in the 2010/11 financial year
- (i) That options for the implementation of the capital program be reviewed to ensure the effective and timeous implementation of the projects
- (j) That internal project management processes be improved to ensure effective implementation of the capital program,
- (k) That the Mid Year Budget and performance assessment report and the recommendations contained therein be approved for preparation of an Adjustment budget for the 2009/10
- (l) That the revised SDBIP's which formed the basis of the Mid Year Assessment be approved, and Performance Agreements of section 57 employees be amended accordingly.

INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57 CONTRACTS)

In terms of the Regulations for Municipal Managers and Managers reporting directly to the Municipal Manager, all Performance Agreements were signed.

The challenge identified with this process are:



- Continuity in top management
- Monitoring and evaluation departmentally and compliance with legislative reporting requirements
- Formal evaluation processes through the Evaluation Panel